

Arafat-Assad Talks: The Hard Dealing Is Next

By Jonathan C. Randal
Washington Post Service

DAMASCUS — Palestinian officials are stressing that the real test of an emerging normalization between Yasser Arafat and President Hafez al-Assad of Syria lies ahead in hard, detailed bargaining.

Those negotiations, expected to start within two weeks, could re-establish normal ties such as those linking the Palestine Liberation Organization and many Arab nations and be based on a hardening of their joint opposition to U.S. policy and Israeli policies in the Middle East. Or they might lead to special Syrian-PLO coordination, as has been the case intermittently in their checkered relationship, Palestinian officials say.

Such an outcome could encourage military strategy and tactics meant to harness Israeli forces in southern Lebanon and to increase domestic pressure on moderate Arab regimes to give effective support to the uprising in the Israeli-occupied West Bank and Gaza Strip, they said.

"What has happened is very important," a

high-ranking Palestinian official said. "After five years of complete hostility and no relations whatsoever, we can now sit down and talk, agree on some issues and not on others."

This view was echoed by a senior Syrian official, who indicated that the Arafat-Assad

port for the PLO and by U.S. and moderate attempts to play down the Arab-Israeli dispute in favor of the Gulf War. Now he has seized on the anti-Israeli uprising as a way of recapturing the diplomatic high ground, according to analysts.

In turn, reconciliation between Syria and the PLO is expected to provide a powerful lift for West Bank and Gaza Strip residents to maintain the uprising, they said.

But such is the legacy of suspicion between Mr. Arafat and Mr. Assad that only the negotiations will demonstrate if their aides can sort out such problems as these:

- Mr. Assad's demands that the PLO cut all contacts with Egypt, which Syria continues to ostracize for its separate peace with Israel.
- PLO activities in Lebanon, which were once subject to Syrian efforts to bring the guerrillas' free-wheeling operations there under control, but are now perhaps a potential stabilizing factor in ending feuding among Lebanese militias.

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encounter this week, their first since Mr. Assad expelled the PLO chairman from the country in June 1983, had gone as well as could be expected from such an initial meeting.

Many Palestinians say they are convinced that Syria has every reason to coordinate policy and reach full understanding with the PLO before the special Arab League meeting scheduled in June in Algiers to discuss the uprising in the Israeli-occupied territories.

Mr. Assad finds himself isolated by unsuccessful military and political efforts to reduce Mr. Arafat's influence, by Soviet sup-

In Kuwait, Blast Marks Saudi Break With Iran

By Patrick Tyler
Washington Post Service

CAIRO — The diplomatic eruption between Saudi Arabia and Iran, the two countries that dominate opposite shores of the Gulf, was punctuated Wednesday by a bomb blast at the office of Saudi Arabia's national airline in Kuwait, where a security guard was injured and windows shattered in adjoining buildings.

The police cordoned off the area in the center of Kuwait City's commercial district. Although no organization claimed responsibility for the blast at the Saudia office, the choice of the target left little doubt in the view of a number of Gulf-based diplomats that Islamic fundamentalist forces sympathetic to the Iranian regime were most likely responsible.

Meanwhile, Iran formally reacted to the Saudi decision to break relations. A Foreign Ministry spokesman in Tehran accused the kingdom of "collaborating with U.S. conspirators in the Gulf and assisting the Zionist regime of Iraq."

Tehran Radio also quoted the unnamed spokesman as saying that Saudi Arabia was attempting "to divert attention of the Moslem world away from its policy of opposing the presence of Iranian pilgrims at this year's hajj," the annual pilgrimage by Moslems to the holy cities of Mecca and Medina.

Arab diplomatic sources in the Gulf said in telephone interviews that Saudi Arabia's break with Tehran is not likely to be followed by other Gulf Arab states who have suffered Iranian intimidation for their support of the Iraq in the war.

Both the Arab League and the five other Arab states that form with Saudi Arabia the Gulf Cooperation Council have opposed Saudi efforts in the past year to foment a break with Iran by all Arab countries.

Kuwait, whose territory has been hit by seven long-range missiles, and whose oil installations, political leaders and resident embassies have been hit by Iranian-inspired extremists for more than four years, showed no signs of following suit.

Diplomats said the Saudi decision appeared focused on the security threat from the 150,000 pilgrims Iran has insisted it would send to Mecca this summer.

The sources said the catastrophic results of the clash last year between demonstrating Iranian pilgrims and Saudi security forces has dominated Saudi concerns about Iran in recent months as the kingdom prepares for hundreds of thousands of pilgrims in late June.

More than 400 people died on July 31, 1987, when demonstrating Iranian pilgrims clashed with Saudi security forces in and around the grand mosque in Mecca.

"The Saudis have frankly been beside themselves about how to handle this year's pilgrimage," one Gulf-based western diplomat said.

WORLD BRIEFS

China Criticizes Japan Minister Anew For Remarks on Tokyo's Role in War

BEIJING (Reuters) — China has again sharply criticized remarks by a Japanese cabinet minister that appeared to defend Japan's role in World War II. A Foreign Ministry spokesman said Wednesday that the statements were "astonishing and very regrettable."

The spokesman said the remarks, by Seiichiro Okano, 74, director-general of Japan's National Land Agency, "hurt the feelings of the Chinese people and the people of other Asian countries that were victims of aggression."

Mr. Okano, in a press conference Friday, said: "Japan fought the war in order to secure its safety. The white race had turned Asia into a colony. Japan was by no means the aggressor nation."

[In Tokyo, Prime Minister Noboru Takeshita told the upper house of parliament on Wednesday that he regretted Mr. Okano's remarks. Agence France-Press reported.]

Reagan Denies an Anti-Meese Plan

WASHINGTON (AP) — President Ronald Reagan described a "totally inaccurate" on Wednesday a published report that some of his close friends and advisers have mounted a campaign to force Attorney General Edwin Meese 3d from office.

Asked about the report in the Wednesday editions of The Wall Street Journal, which said that Nancy Reagan, the president's wife, supports the effort to force out Mr. Meese, Mr. Reagan said, "I shouldn't answer the question, but I have to tell you, no, I'm not aware" of such a move. Asked what circumstances might prompt him to dismiss Mr. Meese, the president replied, "Well, if he had a complete change of character."

The Wall Street Journal reported that Vice President George Bush and Caspar W. Weinberger, the former defense secretary, are among those now convinced Mr. Meese cannot continue in office.

NATO Committee Ponders Weapons

BRUSSELS (NYT) — The defense ministers of the North Atlantic Treaty Organization met Wednesday to discuss which weapons they will develop in light of the Soviet-U.S. agreement to eliminate intermediate-range land-based nuclear weapons.

The main issue before the NATO Nuclear Planning Group, which meets every six months, is what is called modernization, which could mean adaptation of short-range weapons such as artillery to fire neutron shells or adding to intermediate-range nuclear weapons based on ships or airplanes, which are not covered by the Soviet-U.S. agreement.

A U.S. official said the meeting had no major decisions to make because the main thrusts of modernization have long been agreed on. The official declined to give any details beyond saying the moves involved "enhancing existing weapon systems" and "increasing survivability of aircraft."

Bullfrogs Seen as U.K. Threat

NEWCASTLE UPON TYNE, England — Four hundred giant American bullfrogs have been recalled as a danger to the environment of this northern English city.

They had been purchased by gardening enthusiasts in an effort to scare off neighborhood cats that eat the goldfish in ornamental ponds.

Newspaper reports on Wednesday said the bullfrogs, 12 inches (30 centimeters) long when fully grown, had been recalled by the garden store that sold them as tadpoles.

Environmentalists had protested that the carnivorous bullfrogs, imported from Missouri, would eat native frogs and newts and run the area's ecological balance.

Lax State Dept. Operation Is Cited

WASHINGTON (AP) — The State Department kept millions of dollars worth of travelers checks in unlocked cabinets and piled on floors in an operation so lax that more than \$59,000 was embezzled and \$307,780 cannot be accounted for, the department's inspector-general testified Wednesday.

Government investigators told a House of Representatives subcommittee that controls on State Department travel advances were so disorganized that \$15 million in such payments are delinquent.

Frank Conahan, an assistant U.S. comptroller-general, said a General Accounting Office investigation showed that the situation is worse than it was two years ago, when the department promised to correct it. The number of overdue or delinquent accounts rose from 8,100 in 1985 to 19,800 in 1987, Mr. Conahan said. He said the total value of delinquent accounts rose from \$10 million in 1985 to about \$15.4 million last year.

U.S. Resumes Gulf Convoy Escorts

MANAMA, Bahrain (UPI) — The first U.S.-escorted tanker convoy to enter the Gulf since U.S. naval clashes last week with Iran continued its voyage Wednesday for Kuwait after a one-day postponement because of bad weather, U.S. Navy officials and shipping sources said.

Sources said the convoy was escorted by four U.S. warships. The tankers in the convoy — the 26th of the year — included a liquefied gas carrier and two oil product carriers.

For the Record

A Soviet strider crashed into a mountain in Siberia on Tuesday while flying in a spring blizzard, killing 15 passengers and two members of the crew, Pravda reported Wednesday. The L-410 twin-turboprop was flying from Muya in the Taiga forest to Bagdadin, about 5,000 kilometers (3,100 miles) southeast of Moscow. (AP)

TRAVEL UPDATE

Icelandair Employees Join in Strike
REYKJAVIK, Iceland (UPI) — The Icelandic labor conflict worsened Wednesday when 12,000 striking office workers and shop attendants were joined by 2,000 colleagues including passenger service staff at Keflavik Airport, grounding all Icelandair flights.

A small unaffected airline, Eagle Air, kept the island from becoming isolated from the rest of the world. Icelandair officials said the company would lose 10 million kronur (\$250,000) a day in the strike.

Sealink Cancels 9 Channel Crossings
DOVER, England (AP) — Sealink, the English-French ferry company, canceled eight scheduled crossings Wednesday from Dover to Calais and at least one from Folkestone to Boulogne because of the conflict between British seamen and a rival company, P&O European Ferries.

Earlier announced it would seek an injunction against the National Union of Seamen after being forced to cancel four crossings Tuesday and that delays of up to two hours were likely.

Report Finds Guard Shot Israeli Teen-Ager

By Glenn Frankel
Washington Post Service

JERUSALEM — An Israeli Army report on the killing of a teen-age Jewish settler in the West Bank village of Beita earlier this month concluded Wednesday that he was shot and killed accidentally by one of her armed Israeli escorts during a clash with Arab villagers.

The politically sensitive report pinned most of the blame for the incident on the villagers, saying they provoked and aggravated it by throwing rocks at a group of 16 Jewish teen-agers and their two guards while on a nature hike.

But it also concluded that one of the adult Israeli guards violated army regulations by not properly notifying the authorities of the hike, and it said the other's "negligence" and "lack of caution and undue hastiness" in firing his M-16 automatic rifle "helped escalate the incidents" into a tragedy.

Two Arab villagers were killed and two more were wounded during the clash in which Tirza Porat, 15, also died and the guard who fired, Romam Aldubi, was seriously wounded. She was the first Israeli civilian to be killed since the Palestinian uprising began in early December, and her death caused a wave of anti-Arab passions among Jewish settlers and rightist Israeli political leaders.

The report on Wednesday, written by the West Bank's military commander, Major General Amram Mizta, couches its conclusion about her death in conditional language, saying "it is possible to conclude" that she "apparently" was shot by Mr. Aldubi.

But in a news conference Wednesday afternoon for Israeli journalists, General Mizta was more definitive, explaining that "according to our assessment, Tirza Porat was hit when Aldubi reacted instinctively to a rock thrown at his head and while turning around fired several bullets."

The army spokesman's office barred this correspondent from attending a separate news conference on the report held for foreign journalists and refused to discuss the findings with me because the government has temporarily suspended my press credentials. This article is based on a written government summary of the report and on Israeli television and radio accounts.

After the incident occurred on April 6, army officials first reported that Miss Porat had been stoned to death by villagers. Only after her funeral did officials make available to the Israeli press an autopsy finding that she had been shot in the head, probably by a bullet from Mr. Aldubi's M-16. Army officials also disclosed that several villagers



A Rome policemen sealing grapefruit cases after reports of contamination in some of the fruit.

Italy Bars Grapefruit After Threats

By Roberto Suro
New York Times Service

ROME — Grapefruit throughout Italy were sequestered Wednesday by the police after the authorities received anonymous threats that some of the fruit had been poisoned as an act of anti-Israeli protest.

No toxic substances have been found in any of the hundreds of grapefruit being tested, and health authorities in Rome said Wednesday that they may have been mistaken in announcing Tuesday that poison had been found in six grapefruit seized at a market in Rome.

[In Brussels, the European Commission said Wednesday that it had alerted the 12 member nations of the European Community of the danger of poisoned grapefruit and asked them to investigate. The main suppliers of grapefruit to the EC are Israel, which exports 120,000 tons annually, and the United States, which exports 85,000 tons. The Associated Press reported.]

About half of the 53,000 tons of grapefruit imported annually by Italy come from Israel, and they usually are sold in wrappers clearly indicating their origins.

After reporting to Parliament on the affair, Health Minister Carlo Donat Cattin said Wednesday evening that "if someone put coloring in these

Austria Seeks U.S. Help in Suing Jewish Leader

By Robert Pear
New York Times Service

WASHINGTON — Austria has asked the United States for assistance in preparing a criminal slander case against the head of a major Jewish organization for saying that President Kurt Waldheim had been "part and parcel of the Nazi killing machine." The United States has turned down the request.

Officials at the Justice Department, the State Department and the Austrian Embassy said the Austrian authorities wanted to interview Edgar M. Bronfman, the president of the World Jewish Congress, to prepare their case. Mr. Bronfman and his organization have led efforts to investigate Mr. Waldheim's wartime record.

Justice Department officials said Tuesday that they had concluded they could not support the Austrian request because the department already had investigated Mr. Waldheim and found evidence that he "participated in activities amounting to persecution" of Jews, Greeks and Yugoslavs in World War II.

"We developed the information on Waldheim in our own investigation," said John K. Russell, a Justice Department spokesman. "It would be a conflict of interest for us to assist the Austrians with their request." Austria could hire private lawyers if it wanted to ask a U.S. court for help in obtaining Mr. Bronfman's testimony, Mr. Russell said.

An Austrian representative delivered a note to the State Department last week, expressing unhappiness with the U.S. refusal to cooperate in the case, a State Department official said.

The case, if it reached trial, would be heard in Austria.

Christian Prosl, the No. 2 official at the Austrian Embassy in Washington, said the chief Austrian prosecutor was gathering evidence to support a criminal complaint filed against Mr. Bronfman last year for statements about Mr. Waldheim, a former United Nations secretary-general.

The statement at issue was made by Mr. Bronfman when he arrived in Budapest for a meeting of the governing board of the World Jewish Congress in May 1987. He repeated the statement in an article in

The New York Times on Feb. 14, saying that Mr. Waldheim was "a liar and an unrepentant man who was part and parcel of the Nazi killing machine."

Under U.S. law, a federal judge, in response to a request such as Austria's, may order a person in the United States to give testimony or produce documents for use in a proceeding before a foreign court. But the person is entitled to the rights and protection available under U.S. law. Mr. Bronfman, who was born in Canada and spent much of his life there, is now an American citizen.

Elean Steinberg, executive director of the World Jewish Congress, said Tuesday: "Despite this attempted intimidation by the Austrian government, Bronfman stands by his statement."

6 Die in Trinidad Explosion
United Press International

PORT-OF-SPAIN, Trinidad — At least six persons were killed, 14 missing and 20 injured when an army ammunition bunker exploded and destroyed Camp Omega, a training site west of the capital, the state radio reported Wednesday. The blast was apparently touched off by a brush fire.

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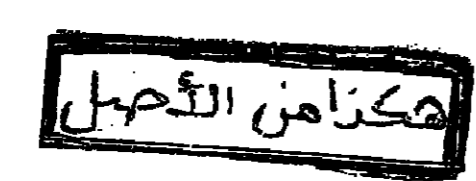
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New U.S.-Soviet Arms Pact: Pace May Be Too Slow This Year

By Michael R. Gordon
New York Times Service

WASHINGTON — In the recent talks in Moscow, the United States and the Soviet Union made just enough progress to suggest that the negotiations on a new strategic arms treaty are gradually moving forward. But the two sides did not accomplish enough to insure a good chance of completing a pact this year.

The key question now is whether the pace will pick up when Secretary of State George P. Shultz meets with Foreign Minister Eduard A. Shevardnadze in Geneva in two weeks and whether President Ronald Reagan and Mikhail S. Gorbachev will achieve a breakthrough at the Moscow summit meeting, which is to begin on May 29.

As before, the main issue dividing the two sides is the Strategic

Defense Initiative, or the "star wars" program, and specifically, what limits should be set on the scope of anti-missile testing in space. But nettlesome questions also remain on air-launched cruise missiles and sea-launched cruise

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missiles, not to mention a host of difficult verification issues.

At the summit meeting in Washington in December, expectations were raised that the signing of an agreement banning medium- and shorter-range land-based missiles might soon be followed by major advances toward an agreement on strategic arms. But in recent months there appears to have been a loss of momentum in the arms control talks, with each side waiting to see if the other will make

important concessions before the Moscow summit meeting.

For example, at the recent Shultz-Shevardnadze meetings in Moscow, the United States did not offer much in the way of new proposals. The only new idea proposed by the United States pertained to ways to verify the distinction between air-launched cruise missiles that are armed with nuclear warheads from those that are armed with conventional warheads.

The Soviet Union did not present any new proposals, U.S. officials say. The Russians did present a draft agreement on space-based anti-missile systems codifying their existing positions, which U.S. specialists said was a useful procedural step.

The slow pace of the talks and the quickening pace of the presidential election campaign has

raised important questions for both sides.

Will Moscow push to complete a pact during Mr. Reagan's term in office to keep up the momentum in U.S.-Soviet relations and in the belief that a treaty negotiated by a conservative president would have a better chance of eventual Senate approval? Such a calculation might produce the "September surprise," which is dreaded by Democrats as they fight to win the White House in 1988.

Or will Moscow move more deliberately in the arms talks, calculating that Mr. Reagan's successor would offer a better deal on limiting "star wars" systems?

As for Washington, Mr. Shultz has said that the United States will continue to work hard for a new strategic arms pact after the summit meeting. He also has main-

tained that such efforts would not be disrupted by the presidential election campaign because he said the "basic tenets" of an agreement curbing long-range arms were supported by the remaining candidates for president.

But how much harder Washington will push after the summit meeting is unclear. Some White House aides and State Department officials appear to be eager to press forward, but some Defense Department officials and military officials are much more cautious. That tension has led to some off-the-record mutual recriminations.

"It's O.K. to have intense pressure to move as fast as we can as long as we don't move faster than we can," said General Larry D. Welch, the U.S. Air Force chief of staff. "One of the difficulties on these complex subjects is impatient

people just want to throw more people at it."

And even if the administration makes a hard push after the summit meeting, there are still important decisions to be made about how to proceed, officials said.

Would the administration push to reach agreement on the actual language of a draft strategic arms treaty that might be signed by the Reagan administration or its successor? Or would the administration instead channel its efforts into resolving some of the remaining issues, leaving the fine print of treaty language to its successor?

"Working out treaty language is really a time-consuming process," a ranking official said. "There is a clear picture within the administration about how to proceed after the summit. People are still thinking through it."

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Kremlin Zeroes In On Moonshiners

Sugar Rationing Cuts Home Stills

By Bill Keller
New York Times Service

MOSCOW — In an assault on the prospering moonshine industry that has grown up during Mikhail S. Gorbachev's anti-alcohol campaign, the Soviet authorities have begun to impose sugar rationing in some parts of the country.

The coupon system, accompanied by severe sugar shortages in other areas where there is no formal rationing, has caused mounting discontent among consumers, who count sugar as one of the few dependable pleasures of the Soviet table.

It also is a tacit admission that the war against drunkenness, which was Mr. Gorbachev's first major domestic program, has been losing ground after initial signs of success.

A Soviet economist, Nikolai Shmelev, proposed this month in the magazine *Novy Mir* that the government abandon its draconian methods of fighting drunkenness, which include cuts in liquor supplies, higher prices and conversion of government distilleries and breweries to producing nonalcoholic beverages.

"It becomes more and more obvious that the state is being drawn into a moonshine war with the population," Mr. Shmelev said. "It can hardly win this war."

He said the government should focus instead on raising the standard of living and teaching social drinking habits so people will not drink for entertainment at home.

The sugar rationing began this month after Moscow authorized local authorities to use ration coupons or other methods to control distribution, according to the government newspaper *Izvestia*.

Sergei D. Aleshin, the deputy trade minister, told *Izvestia* that the demand for sugar early this year had jumped as much as 29 percent in some regions, and that it was "not for tea drinking."

Without rationing, Mr. Aleshin said, the government believed it would have had to spend an extra \$1 billion of scarce foreign currency to import enough sugar to compensate for the depletion of stocks by distillers of illegal alcohol, called *samogon*.

Samogon can be made from many raw materials, ranging from grain to fruit to potatoes. Distillers use sugar or add it to the raw materials because it is widely available, relatively cheap and increases alcohol content.

The area hardest hit by the rationing appears to be the Ukraine, the second most populous Soviet

republic and a leading producer of sugar beets.

In Kiev, the Ukrainian capital, residents said that on April 1 the government began issuing rationing coupons entitling each consumer to 1.5 kilograms (3.3 pounds) of sugar a month.

According to government estimates, that is about 60 percent of the normal consumption of pure sugar in sugar-loving Soviet society, where heavily sweetened tea, homemade jams and sugary cakes are staples of hospitality.

Shortages have caused widespread grumbling about unfairness and spawned a variety of rumors.

One theory popular in the Ukraine is that sugar shortages there were engineered by the republic's Communist Party leader, Vladimir V. Shecherbitsky, who is regarded as a political foe of Mr. Gorbachev, in hopes of undermining the Soviet leader's popularity.

Alexander Podrabinek, the editor of an unofficial news bulletin called *Express-Chronicle*, said he had heard of severe sugar shortages in Riga, the capital of the Latvian Republic, and in the eastern Ukrainian city of Dnepropetrovsk.

In his home of Kirzhach, a town of 26,000 about 80 kilometers (50 miles) northeast of Moscow, "there is no sugar at all, not even coupons," Mr. Podrabinek said. "Some of the factories are giving sugar to their workers, one kilogram per person per month, but in others there is not even that."

Sugar supplies in Moscow have been erratic, with many stores without any and others carrying sugar cubes but not the granulated variety preferred for home baking.

According to residents in Odesa, a Ukrainian city on the Black Sea, distillers of the potent *samogon* already have begun to elude the rationing program by insisting that customers include a rationing coupon as part of the price for a bottle of homemade vodka.

Mr. Gorbachev's crusade against drunkenness began in the spring of 1985, and the government credits the effort for improved health statistics, including a marked improvement in life expectancy for men and reductions in injuries in the workplace and alcohol-related crime.

But the moonshine industry, mostly private stills operating in rural homes or city apartments, has grown so much that some specialists believe the illegal market almost completely has replaced the cutbacks in official liquor sales.

Frederick D. Patterson, Black Educator, Dies

By John T. McQuiston
New York Times Service

NEW YORK — Frederick Douglass Patterson, 86, founder of the United Negro College Fund and president emeritus of the Tuskegee Institute in Alabama, died Tuesday after suffering a heart attack in New Rochelle, New York.

In 1944 he founded the United Negro College Fund, with 27 member colleges serving 12,000 students and with an income of \$765,000. The fund has grown to 42 members, with aid to 45,000 students and income of \$42 million last year.

Mr. Patterson, who was named for Frederick Douglass, the black journalist and anti-slavery leader, was born in Washington.

He studied at Iowa State College, where he received a doctorate in veterinary medicine in 1923 and a master of science degree in 1927. Five years later he received a second doctorate from Cornell.

Mr. Patterson taught veterinary science for four years at Virginia State College in Petersburg, where he became director of agriculture.

In 1928 he was called to the Tuskegee Normal and Industrial Institute. Over the next 25 years he raised it to new heights of eminence, serving first as head of the School of Agriculture, and from 1935 to 1953 as president.

The Tuskegee Institute was founded in 1881 by Booker T.

Washington, who maintained that black students must be trained vocationally.

Clifford Donald Simak, 83, a science fiction writer and retired newspaperman, has died.

MINNEAPOLIS (AP) — Clifford Donald Simak, 83, a science fiction writer and retired newspaperman, has died.

He wrote more than two dozen novels, several science books and hundreds of short stories during a 37-year career as a reporter, news editor and science editor for the Minneapolis Star and the Minneapolis Tribune.

Among his better-known titles are "City" 1952, "Way Station" 1963, "The Visitors" 1979, and "Skirmish: The Great Short Fiction of Clifford D. Simak," stories published from 1944 to 1975.

Gordon Merrick, 71, Journalist and Novelist

NEW YORK (NYT) — Gordon Merrick, 71, a former journalist and the author of novels, died of lung cancer in Colombo, Sri Lanka, on March 27.

Mr. Merrick's first novel, "The Strumpet Wind," was published in 1947. His best-known book was "The Lord Won't Mind." Mr. Merrick lived in France and Greece, and later lived in Sri Lanka.

Lanny Ross, 82, Singer and Radio Star

NEW YORK (NYT) — Lanny Ross, 82, a singer, actor and radio personality, died of heart failure in New York City on Tuesday.

He was the star of several radio programs from the early 1930s through the mid-1950s — among them, "Show Boat," "Troubadour of the Moon," "The Swift Show" and "The Lanny Ross Show."



Andrei Parastayev, a Soviet diplomat, helped plant a tree Tuesday in Washington to commemorate the second anniversary of the Chernobyl nuclear accident as anti-Soviet demonstrators watched.

U.S. and Moscow Plan Nuclear Data Exchange

By Boyce Rensberger
Washington Post Service

WASHINGTON — The United States and the Soviet Union have formally agreed to share information about how they regulate the safety of civilian nuclear reactors.

According to a memorandum of understanding signed in Washington on Tuesday by nuclear regulators from both countries, each nation will send six representatives to a joint coordinating committee that will meet once a year at sites alternating between the two countries.

The agreement also provides for the countries to share data on reactor design and construction and on health effects of radiation and advances in treating radiation sickness.

The agreement, which is confined to unclassified information, is the first between the two countries on civilian nuclear safety. The United States and the Soviet Union have shared data about fusion and other aspects of civilian nuclear reactors since 1973.

The United States has long had similar arrangements on sharing nuclear safety information with other nations. But even though some of these pacts are with friendly countries, they have not always

guaranteed completely open exchanges. There has not yet been a full accounting of a major reactor accident that occurred in Britain several years ago, for example.

Despite the lack of a previous formal method of exchanging data, the United States and the Soviet Union each have long had access to limited information about the other's reactors through open technical literature. For example, when the Chernobyl reactor burned in 1986 in the Ukraine, U.S. nuclear experts quickly found detailed diagrams of the reactor in their files.

The signing occurred on the second anniversary of the accident at the Chernobyl reactor, but the pact does not address notifying other countries of radiation releases. Mechanisms for that exist through international agencies.

Czech Leader in Romania

VIENNA — The Czechoslovak leader, Milos Jakes, started a visit to Romania on Wednesday at the invitation of President Nicolae Ceausescu. The trip is Mr. Jakes' last in a series of brief visits to Warsaw Pact countries since he became party leader in December.

A New Leak of Secrets Laid to Firm Accused of Violating COCOM Ban

By Joseph Fitchett
International Herald Tribune

PARIS — Executives of a French machine-tool manufacturer, under arrest for selling sophisticated technology to the Soviet aerospace industry, may also have betrayed military and industrial secrets to the Soviet Union, official sources said Wednesday.

U.S. officials said that the French authorities' investigations, which follow a series of arrests in recent months in France for technology smuggling, could help reassure Congress about allied performance in enforcing the Western embargo on high technology exports.

"A vigorous French prosecution could help obtain new U.S. legislative waiver, that puts flexibility into the automatic retaliation mechanism in the current trade bill in Congress," said Stephen D. Bryen, deputy undersecretary of defense for trade security policy, in a telephone interview.

If the trade bill fails to pass Congress this year, Mr. Bryen said, separate legislation will almost certainly be adopted to provide for sanctions against companies and countries that provide sensitive technology for the Soviet military.

The draft bill's provisions were aimed primarily at the Japanese company Toshiba, which has acknowledged selling the milling machines now used by the Soviet shipyard to produce quieter submarine propellers. But the Reagan administration, which has made a diplomatic issue of allies' technology leaks, appears uneasy with the rigid congressional language limiting its room for maneuver with cooperative governments.

The recent French case — described as the most serious recent leak of technology — implicates the top management, including a former French air force general, of Forest-Liné Forest-Liné is a Paris-based company whose clients include U.S. and French manufacturers of combat fighters.

Forest-Liné reportedly delivered two computer-controlled heavy machining complexes, which are used in building aircraft wings, to East bloc clients in 1986 and 1987. An investigation by the French counterintelligence service showed that Forest-Liné had lied about the machines in obtaining export licenses so that the shipments could be made to the Soviet Union in violation of the rules of COCOM, the Coordinating Committee on Multilateral Exports, which enforces the embargo on military technology.

Espionage charges are expected to be filed against two prominent French executives: Louis Tardy, a former head of Machines Francaises Lourdes, the holding company that controlled Forest-Liné, and Jean-Paul Chamouton, a retired air force general whose military career was closely linked to France's nuclear weapons program.

Also under arrest and facing similar charges are two other Forest-

Liné executives, including the sales manager, a French citizen of Russian origin who apparently was working under the instructions of a KGB agent who was met regularly in Moscow, official sources said.

For the investigators, the most disturbing discovery was a detailed contract for the export of still more sophisticated milling machines, of the kind used for the most advanced French ground-attack fighters.

"Such advanced negotiations must have involved disclosure of a great deal of information," said a source familiar with the investigation. "You have to assume that the KGB, controlling at least some of these well-placed executives, also got the kind of information that can be put on a tiny disc and carried to the Soviet Union."

French investigators started building their case several months ago on the basis of information provided by Forest-Liné's former sales representative in Moscow, who approached the French authorities after he was fired in a corporate restructuring.

Toshiba, while under investigation, sought to minimize the importance of their sales by disclosing that similar milling machines already had been sold illegally to a Soviet Union in the late 1970s by a French company. That company, Forest-Ratier, became Forest-Liné after a bankruptcy and merger.

But French officials said that Forest-Liné's recent sales, much more important than the old offenses, were made by executives who only entered the company in the 1980s. "The connection is not the people, it's the product," a source said, explaining that "there are not that many firms in France that produce this kind of sophisticated technology."

Czech Dissident Is Reported Dead

The Associated Press

VIENNA — Pavel Womka, a leading Czechoslovak human rights campaigner, died in prison on Tuesday, five days after being sentenced to another prison term, an émigré said Wednesday.

According to Palach Press, a London-based newsletter monitoring human rights in Czechoslovakia, the death of Mr. Womka, 35, was not explained in a telegram sent to his family by prison authorities. Mr. Womka, who was released Feb. 26 after serving a 21-month prison sentence, was to be under "protective surveillance" for three years after he was freed.

An émigré in Vienna quoted the Prague-based Committee for the Unjustly Prosecuted as saying on April 13 that Mr. Womka had been rearrested on April 5. Palach Press said Mr. Womka was sentenced to a five-month jail term on unspecified charges April on 21.

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(Continued from Back Page)				
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POLAND: Steel Strike Deepens and Unrest Is Feared

(Continued from Page 1)

society is waiting for will there be a solution."

The labor unrest, which began Monday with a transport strike in the city of Bydgoszcz, is linked to price increases introduced by the state on Feb. 1 and April 1 as part of what is described as a broad program of political and economic revision. While retail prices rose 45 percent in the first three months of 1988, much of the reform program has slowed or bogged down and even state-run news media have been highly critical of the government.

In the last two months, workers in factories around the country have won pay increases exceeding the rise in prices, touching off widespread fears of an inflationary spiral. The authorities appear to have further encouraged the unrest by granting the strikers in Bydgoszcz a 60 percent pay increase Monday.

The demand Wednesday by the

Nowa Huta steelworkers for national wage increases was the strongest sign so far that the strike may grow into a political conflict. Health workers and teachers loudly have protested in recent weeks about low wages and increasingly poor working conditions, and their cause has been embraced by Solidarity and other opposition groups.

Opposition activists contacted in several cities said no further strikes started Wednesday, although Solidarity activists at the Stalowa Wola mill in southeastern Poland reportedly called a strike for Friday. While backing the steel strike, Mr. Walesa and other Solidarity leaders did not appeal for new protests and appeared to hope the unrest would not continue to spread.

"The strikes will not improve the situation," Mr. Walesa said in a telephone interview, adding that he appealed for support of the Nowa Huta strike but "would like to have as few economic losses connected with these actions as possible."

PAP said the "extra high payments" demanded by the workers "have no basis in the state of the Polish economy." The news agency accused the strike leaders of seeking to "heighten tension" before traditional May Day celebrations and said the leaders had "consciously violated binding legal norms" that limit job actions.

Opposition sources and workers said the strike involved the processing and finishing departments of the huge mill and included all four daily shifts in these departments, with each shift employing 2,000 workers. Other workers in the mill supported the action but had not stopped work, they said, in part because of the necessity to maintain blast furnaces.

The chairman of the Nowa Huta plant's official trade union, Wladyslaw Sitkowski, said in a telephone interview that although the union was supporting the striking workers, it thought the strike committee's demands were excessive.

BRITAIN: Thatcher Yields to Her Back-Benchers

(Continued from Page 1)

to set a pace of reform that will drive Conservative voters of modest means into Labor's camp.

"She herself is in favor of perpetual change, and she believes in an on-going cultural revolution," Sir Philip continued. "Trotzky and Mao in some ways would have found a great deal in common with her. She likes to change things, and she underestimates the amount of trouble that change for change's sake actually causes."

Certainly the Conservative leadership has underestimated the disruption within their own ranks caused by Mrs. Thatcher's headlong dash for reform. Last week, when her normal majority of 102 seats was reduced to 25 by a revolt within her party, Mrs. Thatcher

was forced to put an extra \$242 million in tax rebates for poor people hit by her new flat-rate tax for local services.

According to a senior parliamentarian close to the situation, the true extent of the back-bench revolt was never acknowledged. "We didn't tell anyone how much trouble we were in, except the prime minister, of course," he said. Shortly before the vote, "we had a majority of two and were probably losing."

Frantic appeals to party loyalty and Mrs. Thatcher's concession on rebates turned the tide. Thanks to a budget surplus, Mrs. Thatcher has the option of throwing cash at a problem when she chooses. Last week, for example, she raised the pay of nurses by \$1.4 billion from contingency funds to calm an up-

roar over her tight-fisted handling of the National Health Service.

Opposition leaders said such moves make a shambles of Mrs. Thatcher's motto, "The lady's not for turning." But such concessions may be the price that Mrs. Thatcher is willing to pay to reach her main goal of cutting social spending and changing British attitudes toward welfare.

Her spokesman said Wednesday that she is determined to pass "the totality of the reforms in reasonably good order rather than being concerned with their implementation down to every fine detail, especially when that detail may be politically damaging."

Legislative experts believe flexibility is essential to Mrs. Thatcher's protecting herself against the undermining effects of back-bench revolts. Currently an estimated 100 of the 374 Conservatives in the House of Commons are believed to be disturbed by Mrs. Thatcher's agenda of social legislation.

But back-bench revolts have a history of growing into serious matters for prime ministers. David Butler, a political historian at Oxford University, points out that only two of 10 Conservative prime ministers in this century have left voluntarily. The rest were forced out when Conservative parliamentarians lost confidence in them.



Lau Van Duc, 48, and his family look over their homestead in the new economic zone of Nam Ban, in central Vietnamese highlands.

In Vietnam, Raw Life on Homesteads

By Barbara Crossette
New York Times Service

NAM BAN, Vietnam — The village looks like a set for a Western movie: a single street of wooden storefronts on a dusty rise against distant mountains. The air is clear under a bright blue sky.

The people are homesteaders, pioneers from Vietnam's overpopulated capital, Hanoi. Nam Ban and its sister settlement, Nam Ha, about 40 kilometers (25 miles) to the southwest, are still known as Hanoi Moi — New Hanoi.

For more than a decade, since the fall of the government of South Vietnam, these fertile hills and valleys of Lam Dong Province, to the south and west of the hill resort of Da Lat, have been a major focus of an ambitious Vietnamese population-redistribution program.

Vietnam, with at least 63 million people, says it has been trying to resettle up to a quarter of a million people a year over the last few years, mostly from the overcrowded north, in New Economic Zones on undeveloped land in central and southern Vietnam. About 25,000 people have been moved to Nam Ban since 1978.

The resettlement plan, first put forward in 1973 before the fall of the south, is similar to an Indonesian program that is sending hun-



moves are voluntary. But some of the New Economic Zones created for the surplus population of Hanoi — and to a lesser degree Ho Chi Minh City, the former Saigon — are still very grim areas. Mud and tetchy huts on uncooperative land remind visitors of a poverty-stricken African landscape. Water is often scarce, and there are almost no machine tools to ease the settlers' labor. Pesticides and fertilizer are often not available, or are too expensive.

Nam Ban has a slightly more prosperous look, largely because its families have begun to cash in on Vietnam's most promising plantation crop: coffee. The community is thinking of building a tourist lodge to turn its pleasant setting, complete with waterfall, into extra income. But first they need a good road to the outside world.

Tran Van Hoa, 61, a farmer who came to Nam Ban in 1983, said he produced nearly 180 kilograms (400 pounds) of coffee last year, along with pepper, beans, mangoes and jackfruit. A variable percentage of his crop goes to the government. The rest he can sell, though getting the produce to market is a major task. Ho Chi Minh City is more than 300 kilometers away.

Nevertheless, Mr. Hoa says he is now earning enough to reinvest — that is, to buy a few more of

each kind of plant to expand his private acreage. He and his wife, Nguyen Thi Anh, have built their own pond for water and for fish. They have a small but sturdy and comfortable house, in front of which they have planted a heart-shaped flower garden.

Life for newcomers is still very difficult, however, because Vietnam's economy continues to slide and there can be no assistance to ease the work of pioneers.

Lau Van Duc, 48, arrived in Nam Ban last year with his wife, three children and a brother. With only a hoe and shovel, he had to dig a well more than 45 feet deep to find water to plant 50 coffee trees bought on credit. The trees are struggling to survive. So is the family, living in a dirt-floor hut devoid of all but a few very basic possessions. They weave bamboo baskets for a little money to buy food.

When night falls at Nam Ban, however, comfortable and poor residents alike share another kind of hardship: isolation. Cut off from urban life, television, books and newspapers, they dream of the day they will find time to go home for a visit. In a community of homesteaders with no money to spare, there can be no luxuries.

"We feel sad," Mr. Hoa said, "because the cultural life here is not enough for us. We are nostalgic and homesick for Hanoi."

6 Are Killed And 49 Hurt By a Bomb In Kabul

By David K. Shipler
New York Times Service

KABUL, Afghanistan — Six persons were killed and 49 were wounded on Wednesday when explosives packed in a truck were blown up by a timing device in central Kabul.

Government officials said that only the U.S.-backed Afghan guerrillas could have been responsible, but there was no immediate confirmation of their involvement.

The Kabul police chief, General Saifullah, produced a Pakistani license plate that he said had been on the truck. The guerrillas got their military supplies through Pakistan.

According to General Saifullah, the six dead included a 12-year-old girl, a woman and four men. Of the 49 wounded, he said, 27 remained hospitalized Wednesday night.

The blast was not the largest in Kabul, which was rocked last fall by a car bomb that killed 29. Still, if the bombing was the work of the guerrillas, it seemed to represent a recent shift in their tactics since Soviet troops have been deployed in greater force around the capital.

In recent weeks, Western diplomats say, guerrilla units have apparently been unable to get close enough to Kabul to fire rockets into the city. But they have been able to smuggle explosives in, or perhaps draw from supplies already stockpiled in the city.

The blast attracted unusual attention because of the presence of about 40 foreign reporters from the United States, Western Europe and Japan, who were invited by the Afghan government to cover the celebration this week of the 10th anniversary of the coup that brought the Communists to power in 1978.

Western diplomats had said several days ago that they expected the rebels to take some dramatic action around the time of the holiday.

The U.S. Embassy in Kabul has sent four of its 13 staff members home after receiving an intelligence report that Iran was planning to attack the embassy or kidnap U.S. officials in Kabul in reprisal for the U.S. attacks on Iranian oil platforms in the Gulf.

One purpose of the bombing, perhaps, was to rattle the nerves of the Afghan Army and the government leaders as Soviet troops prepare to begin their withdrawal from the country on May 15. So far, however, the mood in the city's streets seems fairly relaxed, with none of the incipient panic that gripped Saigon in its final days.

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VOTE: Dukakis v. Bush

(Continued from Page 1)

ple, Mr. Mondale trailed Mr. Reagan by just eight percentage points in April but lost by 18 points in the November election. In 1980, President Jimmy Carter led Mr. Reagan by six points in April and lost by 11 in November.

One possible explanation for the pattern of early Democratic poll strength is that, until the fall, when voters focus on their choices, there is a tendency to state their preferences along lines of party identification, where Democrats have long had an edge.

Another is that Democratic nomination fights have tended to last longer, keeping their candidates more in the news. "I think it's an advantage that we continue to compete, just as long as it is a positive and a good campaign," Mr. Dukakis said Tuesday night.

But after their showdown last week in New York, Mr. Dukakis and Mr. Jackson squared off in Pennsylvania in a race that was without much tension.

"Pennsylvania was not a very good campaign," Mr. Austin acknowledged before the votes were tallied. He said his candidate "tired" during the campaign.

Mr. Jackson himself seemed to have difficulty adjusting to the new circumstance of a head-to-head encounter. He gaped all week to find a tone that would allow him to attack Mr. Dukakis on their issue differences — which are substantial — without abandoning the upbeat, unifying, loyal-Democrat notes has been sounding all year.

Even his advisers acknowledged that Mr. Jackson never quite found that tone. In their two debates this week, Mr. Jackson the amiable warrior overcame Mr. Jackson the aggressive challenger.

On the campaign trail, Mr. Jackson was more direct, gently criticizing Mr. Dukakis for having made general commitments to attack homelessness, provide for more college scholarships and move toward comprehensive national health insurance but not providing details.

Mr. Dukakis said it was "absurd" to put forward a detailed budget now, the response he gave earlier this year. (AP, NYT, WP)

SEOUL: The Opposition, Out of Power 40 Years, Takes Over in National Assembly at Last

(Continued from Page 1)

the government just wouldn't allow itself to be defeated," one Korean official said. "But those days are past. People just wouldn't stand for massive rigging any more."

Kim Dae Jung and his Party for Peace and Democracy were the election's biggest victors. The party tripled the number of its seats in the National Assembly and was transformed into the dominant anti-government force.

The ruling Democratic Justice Party won a projected 86 seats, capturing only about 33.6 percent of the popular vote, a loss of 3 percentage points from the presidential election in December.

Under the election rules, the top party also picked up 38 of 75 "proportional representation" seats distributed nationally. This means the ruling party is likely to have about 124 seats, far short of the 150 need-

ed for an overall majority in the 299-seat National Assembly. In the previous assembly, it held nearly two-thirds of the 276 seats then available.

The Reunification Democratic Party of Kim Young Sam, previously the main opposition group, lagged behind Kim Dae Jung's group. It was followed closely by the conservative New Democratic Republican Party, which is controlled by Kim Jong Pil, a former prime minister under President Park Chung Hee.

Kim Dae Jung's group won 55 seats for a total of 71. Kim Young Sam's unit was projected to take 46 for a total of 59 and Kim Jong Pil's total was put at 27 and a total of 35.

The rest of the seats went to a scattering of independent and smaller parties.

As stunning as the ruling party's failure was Kim Dae Jung's suc-

cess. Long a dissident leader, twice a failed presidential candidate, South Korea's best-known and most fiery oppositionist, Mr. Kim had been returned to the National Assembly for the first time 17 years — and as the head of the nation's leading opposition party.

He immediately pledged to cooperate with Mr. Roh — on certain conditions. He said he expected Mr. Roh to release all political prisoners, numbering about 1,000 by Mr. Kim's count, and to curb the powerful internal security and police agencies.

The opposition quickly put Mr. Roh on notice in other ways, too, that he cannot expect much of a honeymoon. All three opposition leaders said they will press for more aggressive investigations into alleged corruption by Mr. Chun's relatives and associates.

The election also seems likely to

complicate Mr. Roh's efforts to solve trade problems with the United States. Kim Dae Jung attacked Washington during the campaign for supporting Mr. Roh's "rigged" election in December, and he attacked the ruling party for caving in to U.S. pressure to import U.S. goods.

"On all issues in which the U.S. is involved, for a while at least, quiet government-to-government diplomacy is not going to work," a U.S. diplomat said. "Because every major issue is going to be debated in the National Assembly."

Most of all, the opposition is likely to press the ruling party and the powerful government bureaucracy to share information and decision-making in areas that have never before been subject to scrutiny, such as the budget, foreign policy and economic guidelines.

Many voters apparently believed

KANAK: 7 New Hostages

(Continued from Page 1)

village of Canala, 200 kilometers from Noumea, where 100 white settlers had been holed up in the local gendarmerie headquarters.

Separatist radio reports said as many as a dozen Melanesians may have been killed in the past few days in fighting in the village.

Neither the leading Kanak separatist group, the Kanak Socialist National Liberation Front, nor French officials were able to confirm or deny the reports.

"We just don't know," a spokesman at the high commissioner's office said. "But there probably have been one or two deaths."

Gendarmes moved in on the Kanak stronghold of Saint-Etienne, near Noumea, to stop fighting between whites and Kanaks.

They searched the village and detained 13 persons, including a Melanesian nun accused of aiding a separatist in her church.

Fourteen persons were charged Monday with murder, rebellion and kidnapping. Ten of the accused appeared in court and the judge said the others were in a hospital.

SIXTIES: History 101 Covers Janis, Selma, My Lai and Woodstock

(Continued from Page 1)

argument that social class and race determined who fought in the Vietnam War. There were 1,200 graduates, and of those whose records could be traced, only 36 served in the military and only two served in Vietnam, he said. "That's a dramatic illustration that students at elite colleges simply did not fight in Vietnam," he said.

Miss Halter says she appreciates the irony of a onetime rebel now giving her students the formalities of tests, papers and grades in a large lecture hall, and she tries to limit such requirements.

But Mr. Lichtenstein said he was worried about the course being considered faddish, adding, "So I made it very rigorous, with lots of exams and papers."

In looking at the 60s with the

distance of time and new scholarship, teachers say they are finding themselves revising some of their assumptions about the decade, wondering what it actually accomplished, appreciating anew its political activism and its initial optimism.

Mr. Lichtenstein, who, as a demonstrator at Berkeley, felt the sting of tear gas, says he believes the 60s were "the fulcrum of postwar American history," bringing "an end to unquestioned American hegemony and to social stability."

Much of what happened in the period, Mr. Lichtenstein said, was generated by economic forces. The initial optimism of the period may have been the culmination of three decades of economic growth. He said the boom came to an end partly as a result of the social movements of the 60s, which led to cost-

ly wage increases and expenditures for environmental and occupational safeguards.

Scholars also are re-evaluating the origins of student protests, rejecting the conventional wisdom about the era, Mr. Lichtenstein said, adding: "It didn't come out of despair or a rejection of America. It came out of a belief in the possibilities of liberalism and a desire to expand those possibilities."

Mr. Freeman said he had come to take "a more sour look at the counterculture."

"It seems to me," he said, "that too often had an element of contempt for people, particularly blue-collar Americans."

Miss Halter regularly stresses the role of women throughout the decade. She said she believes that men in the radical movements often relegated women to making coffee

and operating photocopy machines.

"The standard interpretation of the decade," she said, "was that it was a period of rising hopes followed by incredible despair. But if you look at what was going on for women, there were no rising expectations in the early part of the decade, and towards the end, with the beginning of women's consciousness groups, they were just beginning to experience the hope for an end to sexism."

Scholars say they believe the interest in the 1960s may even portend a dawning activism. Todd Citlin, author of the recent book, "The Sixties: Years of Hope, Days of Rage," said he believes the conservative "counterreformation" of the 1970s and 1980s is ending with a realization by liberals that the 1960s left many issues unresolved.

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SCIENCE

The Destructive Potential Of Free Oxygen Radicals

By Jane E. Brody New York Times Service

FREE radicals, highly reactive chemicals believed to have given rise to life on Earth, are now increasingly regarded as primary forces of destruction and death in nearly all living things.

As studies reveal the breadth of the chemicals' destructive potential, scientists have begun to test ways, both natural and synthetic, to defuse free radicals in the hope of reversing or halting the progress of the many diseases they are believed to cause or promote.

When an oxygen radical steals an electron from some other molecule, it renders that molecule unstable, prompting it to restore electronic order by itself seizing an electron from a neighboring molecule.

Among the important body chemicals that may be attacked by oxygen radicals are proteins (such as enzymes or the collagen in joints), neurotransmitters in the brain, nucleic acids in the genetic material (perhaps causing mutations) and fatty acids that are major components of cell membranes.

When fat in a cell membrane is oxidized by free radicals to form lipid peroxides (the process by which fats become rancid), the integrity of the membrane is destroyed, rendering the cell vulnerable to penetration.

Lipid peroxides are potent chemicals that can cause cellular damage, hinder metabolism, and reduce blood flow in tissues. However, the existence of lipid peroxides in diseased tissue may sometimes be the result, rather than the cause, of cell damage.

Another approach would be to curb the secondary effects of tissue damage. Damaged tissues can release iron that then catalyzes the formation of destructive free radicals, which exacerbate the tissue damage.

Several substances already in general use — for example, nutrients like vitamin E and beta-carotene that are present in foods or preservatives like BHT and ascorbic acid (vitamin C) that are added to foods — are now known to work by countering oxygen radical formation or by "mopping up" oxygen radicals as they form.

Some researchers estimate that dietary measures that control oxygen radical damage could give the average person five or more added years of healthy, productive life.

Other substances, including several drugs synthesized for this purpose, are now being tested in animals and people for their potential in fighting disease.

The National Institute of Neurological and Communicative Disorders and Stroke is underwriting a \$10 million study to determine whether substances that absorb oxygen radicals can halt the progress of Parkinson's disease, and the National Cancer Institute is studying the ability of anti-oxidant nutrients to prevent cancer.

Free oxygen radicals are unstable molecules created in response to trauma or as a byproduct of normal metabolism. They draw electrons from nearby molecules or donate electrons to them, adversely altering their chemistry.

Up to now, most experts have assumed that agricultural runoff and sewage were the main pollutants responsible for the increasing frequency of mass killings of marine life along the Northeastern coast. But a new report shows for the first time that acid rain is also a major culprit.

The study is also likely to add new fuel to the debate over the effects of acid rain and to the battle in the U.S. Congress over whether stringent controls are needed for the sources of the pollution that causes acid rain.

The air pollutant causing problems in this case is not sulfur dioxide, the primary component of acid rain, but oxides of nitrogen, a secondary component that is mainly produced by automobiles and electric utilities. In the atmosphere, nitrogen oxides are converted into nitric acids. The damage to coastal aquatic life highlighted in the report results not from acidity but from eutrophication, in which excessive growth of algae, stimulated by the nitrogen and other nutrients, chokes off the oxygen supply and blocks the sunlight required by other plants and animals.

Prepared by scientists of the Environmental Defense Fund, a non-profit environmental group, the study found that airborne nitrates, mostly from motor vehicles and power plants and other industrial facilities are a major source of the nitrogen that is polluting Eastern coastal waters.

The study focuses on Chesapeake Bay and its tributaries, and found that atmospheric sources account for about a fourth of the

nitrate entering the bay, second only to fertilizers, which accounted for about a third.

Dr. Michael Oppenheimer, an atmospheric physicist for the environmental group and a co-author of the report, said the findings are important because acid rain had previously been thought of largely as a problem that affected "a few hundred or a few thousand acidified lakes in remote areas."

Dr. Oppenheimer contended that the new information about the impact of nitrogen from acid rain shifts the question even more in support of controls on the sources of pollution.

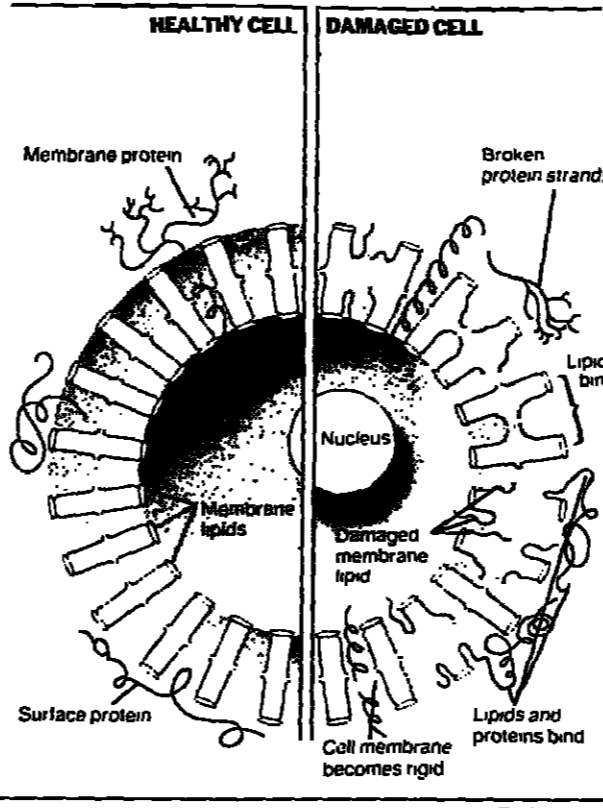
The report noted that the states and federal government have prepared extensive plans for improving the quality of the Chesapeake and other coastal waters. But none of these plans address the problem of airborne nitrogen, it pointed out.

Unless actions are taken to curb this pollution, "the quality of East Coast waters will continue to deteriorate," it concluded.

On the eve of a visit by Prime Minister Brian Mulroney, the New York Times reported that the administration has rejected a proposal that the United States limit the flow of nitrogen oxide pollution across the border to Canada.

When Oxygen Goes Awry

Free oxygen radicals are unstable molecules created in response to trauma or as a byproduct of normal metabolism. They draw electrons from nearby molecules or donate electrons to them, adversely altering their chemistry.



The New York Times

from sunlight and X-rays, results from free radical formation. This, in fact, is how many scientists believe life on Earth began 3.5 billion years ago, when sunlight triggered free radical reactions that in turn formed a primordial soup of chemicals basic to living things.

Paradoxically, ozone in the atmosphere is a potent generator of oxygen radicals, said Dr. William Pryor, biochemist at Louisiana State University and a pioneer of modern free radical research.

Ozone reacts directly with target molecules in living things and forms oxygen radicals which can then cause further tissue damage.

Animal studies have shown that vitamin E can help to protect against ozone-induced free radical damage, which may be especially severe in areas like the Los Angeles basin where the ozone content of smog can reach 10 times or more the usual amount of ozone at sea level.

Since many normal metabolic processes result in free radicals forming in the body, some scientists believe that evolution built into living things both a mechanism to assure continued genetic change and a self-destruct button to make room for new, perhaps improved generations.

At the same time, living organisms would be highly subject to an

Acid Rain Sea Threat

By Philip Shabecoff New York Times Service

WASHINGTON — Acid rain, already recognized as a serious threat to fresh-water organisms, is also contributing far more to the degradation of marine life in Atlantic coastal waters than previously recognized.

Up to now, most experts have assumed that agricultural runoff and sewage were the main pollutants responsible for the increasing frequency of mass killings of marine life along the Northeastern coast.

The study is also likely to add new fuel to the debate over the effects of acid rain and to the battle in the U.S. Congress over whether stringent controls are needed for the sources of the pollution that causes acid rain.

The air pollutant causing problems in this case is not sulfur dioxide, the primary component of acid rain, but oxides of nitrogen, a secondary component that is mainly produced by automobiles and electric utilities.

In the atmosphere, nitrogen oxides are converted into nitric acids. The damage to coastal aquatic life highlighted in the report results not from acidity but from eutrophication, in which excessive growth of algae, stimulated by the nitrogen and other nutrients, chokes off the oxygen supply and blocks the sunlight required by other plants and animals.

Prepared by scientists of the Environmental Defense Fund, a non-profit environmental group, the study found that airborne nitrates, mostly from motor vehicles and power plants and other industrial facilities are a major source of the nitrogen that is polluting Eastern coastal waters.

The study focuses on Chesapeake Bay and its tributaries, and found that atmospheric sources account for about a fourth of the

nitrate entering the bay, second only to fertilizers, which accounted for about a third.

Dr. Michael Oppenheimer, an atmospheric physicist for the environmental group and a co-author of the report, said the findings are important because acid rain had previously been thought of largely as a problem that affected "a few hundred or a few thousand acidified lakes in remote areas."

Dr. Oppenheimer contended that the new information about the impact of nitrogen from acid rain shifts the question even more in support of controls on the sources of pollution.

The report noted that the states and federal government have prepared extensive plans for improving the quality of the Chesapeake and other coastal waters. But none of these plans address the problem of airborne nitrogen, it pointed out.

Unless actions are taken to curb this pollution, "the quality of East Coast waters will continue to deteriorate," it concluded.

On the eve of a visit by Prime Minister Brian Mulroney, the New York Times reported that the administration has rejected a proposal that the United States limit the flow of nitrogen oxide pollution across the border to Canada.

Along with other pollutants like toxic chemicals, increased nitrogen is believed to be contributing to a long-term decline in fish and other aquatic animals and plants in many areas. It plays a central role in the increased susceptibility of coastal waters to dramatic short-term algae blooms that kill fish and plants.

Acid rain results from pollution, chiefly oxides of sulfur and nitrogen from power plants and other sources that burn fossil fuels like coal and oil, that is transformed chemically as it travels through the atmosphere and falls to earth as acidified rain, snow, fog or dry particles.

Airborne nitrates are a major source of the nitrogen that is polluting coastal waters.

6 Are Killed And 49 Injured By a Bomb In Kabul

By David K. Shipler New York Times Service

KABUL, Afghanistan — At least six persons were killed and 49 injured in a bombing in Kabul, Afghanistan, on Tuesday.

The bombing, which was the latest in a series of attacks on the city, was carried out by a Soviet military plane that dropped a bomb on a crowded market area.

The plane was flying at a low altitude when it was shot down by anti-aircraft fire. The bomb exploded in a market area near the city center.

The explosion killed six people, including a woman and a child, and injured 49 others. The injured were taken to a nearby hospital.

The bombing was the latest in a series of attacks on the city, which has been the target of several other bombings in recent weeks.

The attacks have caused widespread fear and confusion among the population. Many people have fled the city in search of safety.

The Soviet military has denied any involvement in the bombing. It says the plane was a civilian aircraft that was hijacked.

The hijacking was reported by a Soviet official. He said the plane was flying from Kabul to Moscow when it was hijacked.

The hijacker demanded a ransom for the plane. He said he would release the plane if the ransom was paid.

The ransom was not paid, and the plane was shot down. The hijacker was killed in the explosion.

FDA Panel Seeks Acne Drug Limit

By Gina Kolata New York Times Service

ROCKVILLE, Maryland — An expert advisory committee to the Food and Drug Administration has recommended that distribution of Accutane, an acne drug linked to birth defects, be restricted to make it more difficult for young women to obtain it.

The committee also suggested that patients and doctors be more strongly warned about the dangers the drug poses to fetuses. Accutane, which was approved for marketing in 1982, can cause severe and often lethal birth defects. Despite an extensive educational campaign by the drug's manufacturer, Roche Laboratories, a division of Hoffmann-La Roche Inc., and the drug agency, women have taken Accutane while pregnant.

The agency has received official reports of 62 babies who were born with severe defects after their mothers took the drug. But a study by the agency's staff, which Roche has challenged as flawed, estimated that 900 to 1,300 babies were born with severe defects because of the drug from 1982 to 1986.

The committee left unclear Tuesday how the drug's distribution should be restricted, but it heard testimony from dermatologists, federal experts and other researchers who suggested that the drug be available to women only from a limited number of specialists or by prescriptions signed by both a dermatologist and a gynecologist who had instructed the woman on birth control. But the commissioner of food and drugs, Dr. Frank E. Young, said it was not clear that such restrictions could be applied.

The drug, whose generic name is isotretinoin, was approved by the agency for the treatment of severe, recalcitrant, cystic acne unresponsive to conventional therapy, including systemic antibiotics. Such acne is characterized by deep, inflammatory cysts that can leave substantial scars. The American Academy of Dermatology, while recognizing the danger of birth defects, issued a statement saying that "no other form of therapy is as effective" against severe acne.

INTERNATIONAL POSITIONS

ATTORNEYS
The International Finance Corporation, an international investment institution based in Washington, D.C. and an affiliate of the World Bank, is seeking highly qualified Attorneys to join its Legal Department.

IFC International Finance Corporation

International Institute of Tropical Agriculture Ibadan, Nigeria
Science Writer/Editor
The International Institute of Tropical Agriculture (IITA) invites applications from highly qualified candidates for the position of Senior Science Writer/Editor in its Publications Unit.

INTERNATIONAL POSITIONS

Statoll is a state-owned company, established by the Norwegian Parliament in 1972. The company handles the business interests of the Norwegian Government in exploration, development, production, transportation, refining and sale of oil and gas and other related business.

Swiss Bank specialized in ship finance is looking for an EXECUTIVE who has an experience of ten to fifteen years in ship finance and preferably in Maritime Law, capable of a very conservative assessment of ship loan applications.

The University of Sydney, Australia
Appointment of VICE-CHANCELLOR AND PRINCIPAL
The position of Vice-Chancellor and Principal of the University of Sydney will become vacant in early 1989 following the retirement of Professor J. M. Ward, AO.

International Sales Representative Far East
A leading US manufacturer of residential, industrial and waste water pumps is seeking a qualified sales rep firm to expand its international distribution network.

INTERNATIONAL AUDITOR
Prestigious international financial organization has challenging job opportunity at its Washington, D.C. headquarters for an Internal Auditor. We seek an experienced professional for this career position to plan and conduct audits of financial, administrative and operational activities.

MANUAL

Herald Tribune

Censorship in Israel

First, Israeli officials gave Washington Post correspondent Glenn Frankel and NBC correspondent Martin Fletcher news of the Israeli government's assassination of PLO leader Khalil al-Wazir...

independent view of crucial events in their own country. The official view has increasingly prevailed. The authorities cut down on first-hand coverage of the uprising...

Noriega: Round Two

After two months of youthful economic pressure, Panama's drug-dealing dictator, Manuel Antonio Noriega, stubbornly holds on to power. The sanctions have had an effect, however: They have brought suffering to Panamanians...

which the Panamanian economy depends. That economy is so closely tied to the dollar that Panama does not even print its own money...

French Politics: Cynicism Plus Street Action

By William Pfaff

PARIS — The political stage in France is slippery with the blood of ambition, and blood of a more authentic color may be spilled before this presidential campaign is over.

the runoff, he will find few politicians to weep for him. His has been an inordinately ambitious career, at others' cost, and if it has led to failure...

voicing modish but largely unwarranted pessimism about France's competitive performance in the world. They complacently have promised the public more sacrifice, harder work, even greater disruption...



Jacques Chirac, by DAULLE



Francois Mitterrand, by DAULLE

Mozambique: The Black Pawns Can Flee or Die

By Kevin Lowther and C. Payne Lucas

WASHINGTON — The boy scolded hesitantly and shook hands. "He's beginning to come out of himself," the American nurse said...

has none; in fact, it appears to be a rogue elephant intent upon destroying the very people a "conventional" guerrilla movement might otherwise pretend to lead.

the government's offer of amnesty. In the meantime, there are more than four million Mozambicans to sustain: the 870,000 refugees scattered among camps from Tanzania to South Africa...

A Palestinian Nation Exists, So Start Listening to It

By Edward W. Said

The writer, a professor of English at Columbia University, is a member of the Palestine National Council.

NEW YORK — Never in modern Middle Eastern history has an uprising been so vast and protracted in scale, so radical in results, so profoundly meaningful as the current one in the Israeli-occupied territories.

I think doubts that our march to self-determination is now irreversible. But the course is still for us to map: our leaders' representatives remain only to choose.

especially ominous about Israel's decision to black out news from the occupied territories, to cut them off. As Palestinians, our task is to overcome these obstacles; to reaffirm, clarify and sustain our political aspirations...

Other Comment

France: A Stained Reputation

In the last 20 years, many European countries have flirted with extreme right-wing and racist parties. West Germany, Britain and Italy have all shared the same experience that France is now suffering.

Israel: An Untenable Situation

Israel may be able to use PLO terrorism and the Arab states' unwillingness to negotiate as an excuse for the lack of international solutions in the Middle East...

What Do the Danes Want?

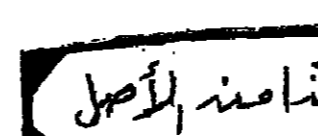
The opposition Social Democrats pushed the motion through against the wishes of the government, which therefore arranged an election. Denmark's skeptics, if they win on May 10, should consider taking their argument to its logical conclusion.

Mexico Confronts Critics

Unobtrusively, the Mexican government has been confounding the skeptics at home and abroad with its economic performance. The cut in the public sector deficit, the increase in non-oil exports...

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

100, 75 AND 50 YEARS AGO 1838: Russia and Britain ST. PETERSBURG — The Novoe Vremya, in an article today [April 27] upon Anglo-Russian relations, after declaring that the present Liberal home policy of the British Cabinet is a guarantee of the solidity of its position...



OPINION

Bush Selling Conservatism? It's Going to Be Interesting

By George F. Will

WASHINGTON — George Bush's aides say their tiger is about to sharpen his message. Given his message to date, sharpening it will be like strapping a slab of butter.

Having run in 1980 on a ticket pledged to obliterate the Education Department, Mr. Bush now says he wants to be the "education president." The federal government is, and conservatives say it should remain, a peripheral factor in education. But, then, what remains of conservatism? Not much, as will become clear when Mr. Bush buckles down to the business of portraying Michael Dukakis as a budget-busting liberal who is weak regarding defense.

Mr. Dukakis may be exactly that, but Mr. Bush must be at his silver-tongued (bronzed?) best to obscure this fact: After eight years in power, conservatism is so confused that Republicans will have trouble making fear of Mr. Dukakis a substitute for enthusiasm for Mr. Bush. In 1980, conservatism had a clear, if not altogether coherent, catechism: balanced budgets, shrinking government, strong defense, no nonsense about détente, action on the "social issues" of abortion and school prayer. Ronald Reagan at his peak was unable to get a Senate controlled by his own party to pass even the mildest constitutional amendments pertaining to those two social issues. And those issues are the least of conservatism's credibility problems.

How does Mr. Bush portray Mr. Dukakis as a menace to fiscal propriety? Compared to what? Average expenditures during the Reagan years have been 18.9 percent of GNP, compared to 18.4 percent in the preceding eight years. As a percentage of GNP, the 1981-1988 deficits averaged 4.4. Those of 1973-1980 averaged 2.4. How does Mr. Bush make Mr. Dukakis seem reckless regarding defense, given that Mr. Reagan's deficits killed Mr. Reagan's defense program years ago? John H. Makin of the American Enterprise Institute notes that the buildup began shortly before Mr. Reagan arrived, and ground to a halt in 1985.

An Economic Leader?

THE next president will have to move on the economy. The budget and trade deficits are still out of their cage. In a political world, a White House without a strong sense of direction on economic policy is asking for trouble. In Washington, drift leads to fracture, and fracture to paralysis. Paralysis would certainly be bad for a Republican presidency. It would also be a risky thing for a world badly in need of economic leadership. The Republican Party has time to close the economic-agenda gap between now and November. Does George Bush have the vision or the will? — James Rauch in the Los Angeles Times

The fastest growth of defense spending came during 1980-1982, essentially reflecting outlays mandated in two Carter budgets and one Reagan budget. The Reagan administration continued a defense buildup through 1985, with defense outlays peaking at 6.5 percent of GNP during the fiscal year that began in October 1985; defense spending never reached the average 6.9 percent share of GNP of the 1962-1985 period or even the 1962-1985 share of GNP with the peak Vietnam years eliminated.

How does Mr. Bush depict Mr. Dukakis (as Mr. Reagan did Mr. Carter) as too fixated on arms control? The Reagan administration, like the Carter administration, has made arms control the "centerpiece" (the Carter administration's word) of U.S.-Soviet relations. Conservatives' grievances in this regard are compounded by the fact that for the last two years President Reagan has used his bully pulpit to preach an astonishingly garbled version of the European left's line: He has stigmatized nuclear weapons, waxed sentimental about Mikhail Gorbachev and spoken nonsense about Soviet history.

It is inconceivable that Mr. Dukakis could say anything as daft as Mr. Reagan's recent statement that Mr. Gorbachev "is the first Soviet leader who has come along who has gone back before Stalin and ... is trying to do what Lenin was teaching." What was Lenin the schoolmaster teaching? Why, *glasnost* and *perestroika*, openness and restructuring, and limited private enterprise. Mr. Reagan now defines the Soviet regime with reference to Lenin the liberalizer, not Lenin the founder of "democratic centralism" and of the secret police to enforce it. Today's liberalization (says Mr. Reagan, applauding the chimera and ratifying Mr. Gorbachev's propaganda campaign) is "much more smacking of Lenin than of Stalin."

By contrasting Lenin the Good with Stalin the Bad, Mr. Reagan has endorsed a recurring theme of Soviet apologists. It is that the Soviet regime has no hegemonic aspirations as a result of its internal dynamic. Rather, the regime was distorted by a bad man who was an aberration, and the coming to power of a different man dissolves serious anxieties.

The Reagan administration is now pursuing commerce with the Soviet Union with the ardor one expects from Republicans, who really do believe that the business of America is business. In international affairs, many Republicans have only one idea and it is false. It is the 19th century faith that trade produces peace — as if trade between European nations did not boom in the years before 1914.

Given the Republicans' recent record, it is going to be fascinating to watch the education-president-in-waiting educate the country about the current meaning, and indisposability, of conservatism. — Washington Post Writers Group



'I'm one of him.'

The Parisian Season Lightly Turns

By John L. Phillips

PARIS — The other day was a dandy. Soft blue and mild, one of those between-season Parisian rarities. Miraculous balmy boons, there have been several such days lately. We'll probably pay for them, though, and for the unwanted good cheer they've spawned — I remember — but for now, what the hell? The luminous weather only made a day off that much more of one.

So I decided to go over to a fancy lamp-and-mirror place on Boulevard Haussmann where last summer I had shopped at the behest of a U.S. friend, and had taken a wobbly-kneed liking to the girl behind the desk. I'd subsequently written her a note; no reply. But the American pal was back in town not long ago and had yet more stuff to buy at that store, and in so doing he asked the girl if she'd ever received my note. He reported she had, and had found it, shaky French and all, amusing. There was post-winter hope after all, so over I went.

There she was, sapphire-eyed and radiant. And sure — she'd be happy to have dinner with me next Thursday. Humming — and I was humming — I sought a No. 29 bus back home. One passed me on my way to the nearest stop. No matter. I was on a nice little roll and could take my time. But nearby

I was getting up I saw that she was, too. I shrugged. She shrugged. I smiled again, and so did she.

On the sidewalk, I asked her if she had time for a cup of coffee at the Brasserie Beauvoir, which was at our elbow. She said we did. We went in. The pretty little tumble of events was leaving me agreeably puzzled. I'd been thinking about one woman, and here I was with another, one with whom I was sharing a tiny adventure. Her eyes, set wide in an elfin face, were earnest, fetching. After perhaps a minute of perfectly related silence, she said, apropos of nothing: "For some reason, I'm happy today." At my response — a remarkably innocent "Ah bon?" — we both laughed.

A few minutes later we left. François, the burly counterman who sometimes takes delivery on packages for me when I'm away, cheerily wished us a good day. My brief acquaintance and I said goodbye, and she went purposefully across the street; it had been her stop, after all. Turning to wave, she disappeared into a shop. I headed for my apartment, still lightly euphoric. Spring — the real thing — wasn't far off, I thought. It lay just ahead and, it seemed, was behind me all the way. — International Herald Tribune

MEANWHILE

Buses don't stop at every stop; if nobody's getting off and if nobody's on the sidewalk showing a *carte orange*, they sail on past. Looking back into the other 29, I saw a passenger stir and move toward the side door. I pushed an *arrêt* button — just as a pretty fellow traveler was pushing another. We alit and dashed back to the other bus. Exchanging conspiratorial smiles, we both made. We are French, Christian, white, and not racist, and we really want Mr. Jackson for president. He is a great man. ANNICK SAINTOUT, ANNE SAINTOUT, Paris.

LETTERS TO THE EDITOR

Soviet Airing Comes Late

Regarding "Now Let's Air Out the Brezhnev Years" (April 19) by Roy Medvedev:

It is interesting to read a detailed criticism of Leonid Brezhnev by such a distinguished member of the Soviet Communist Party. But why is this kind of criticism always aired in the Soviet Union only long after the leader's death? Because contention is barred in the Soviet Union, it is highly probable that only death will continue to remove unwanted leaders and that the world will continue to mistrust the Soviet Union.

GILBERT MICHLIN, Paris.

They Go Where They Please

In "The Laager Can Still Be Impressed" (March 31), Anthony Lewis suggested that the United States deny landing rights to any international airline that flies to South Africa, adding that Washington has "ample leverage to see that Britain, West Germany and others follow suit." But Britain, West Germany and the others are sovereign nations entitled to decide which countries their airlines fly to.

JUROEN GRAF, Taipei.

Simplifying the Gulf

Regarding "In the Gulf the Floating Targets Have Done Their Job" (April 21) by James H. Webb Jr.:

The U.S. naval "retaliation" in the Gulf may indeed not have sent "chills up

the spine of the average Iranian sailor," but the views of Mr. Webb, who until recently was secretary of the navy, certainly had that effect on me. It would seem that all the United States needs is a few good "military people" to occupy Washington and take "the type of action that the administration has been too fearful to direct itself."

The argument that America lost in Vietnam because it destroyed bridges and railroad tracks while the enemy killed U.S. troops reveals an ignorance surpassed only by Mr. Webb's contention that if America eliminates Iranians (asymmetrical response), they will cease harassing American forces off their coast. Aside from the fact that what Mr. Webb proposes (without admitting it) is out-and-out war, his ignorance of the revolutionary Iranian psychology is shocking considering the rank he has held.

JOHN CURRAN, Paris.

In Defense of Bani-Sadr

Regarding "Bani-Sadr and the Imam" (Letters, April 20):

The writer contends that Abolhassan Bani-Sadr is not an opponent of Ayatollah Khomeini but has always been his puppet, and that he has written an open letter to the "Imam" asking for a pardon. Anyone vaguely familiar with the internal developments of post-revolutionary Iran can attest to the absurdity of the first contention. Mr. Bani-Sadr's independence of action and fundamental difference of opinion with the ayatollah led to his ouster. As to the second

point, the alleged open letter can only exist in the writer's imagination.

SAEED SANJABI, Saey-en-Brie, France.

Drug Addicts Need Help

Hear, hear for the New York Times editorial "Fighting the Drug War" (April 15). If addicts remain addicts, picture the scene in 10 or 20 years as more and more young people are involved. Society is guilty of a great crime if it fails to provide help to those addicts who want it. These people desperately need assistance.

DAMIEN BROWN, Preston, Australia.

Political Figures of Speech

Regarding "A Jackson Presidency Could Repair America" (Opinion, April 19) by Norman Mailer:

That Norman Mailer's support for Jesse Jackson is based on the "symbolic magnitude" of a black man becoming president goes to show how unrealistic Mr. Mailer's politics can be. The American scholar Richard Poirier speaks to this tendency in his latest book, "On the Renewal of Literature," when he notes that Mr. Mailer's ideal of revolution is the act of changing human consciousness through symbolism and "troping." Mr. Mailer's point that a black president would "illuminate our lives" is, in the literary realm of troping, a trite truism. In the realm of presidential elections, it is a vacuous platitude. The election of a president should be based on

factors such as merit and competence, not on metaphorical significance.

ROBERT NASHAK, Oxford, England.

Dan Price writes (Letters, April 8) that Jesse Jackson "is on record as being an anti-Semite." Mr. Jackson may be anti-Zionist, anti-Israel or anti-Jewish, but no supporter of the Palestine Liberation Organization or of Louis Farrakhan of the Black Muslims should be called an anti-Semite. The Palestinians, like many other Middle Easterners, are Semites.

ALFRED GRAY REID, Littlebourne, England.

Do the letter writers who oppose Jesse Jackson's candidacy believe that as the first black president of the United States he would bring darkness to the White House? A white president, Ronald Reagan, painted the White House black with irang and other scanda. We are French, Christian, white, and not racist, and we really want Mr. Jackson for president. He is a great man. ANNICK SAINTOUT, ANNE SAINTOUT, Paris.

Taxes Can Still Be Easy

Jack Smith's column "Taxes Used to Be Easy" (Meanwhile, April 20) disgusts me. He contends that he and an acquaintance need to spend weeks of effort and employ accountants to do their tax returns today, whereas 40-odd years ago the return was a single page. He blames the present complexity on the IRS. This is

nonsense. Preparing a wage-earner's tax return is no more difficult today than it was 40 years ago. My wage-earning daughter filed her 1987 tax return on a single page. Mr. Smith and friend probably have complex returns because they are now fat cats trying to take advantage of every loophole in the law.

GEORGE B. DUTTON JR., Venice.

Expatriates for the Money

I meant no insult to Donna Evleth and her husband (Letters, April 19) in the letter (April 1) in which I wrote that "aside from missionaries and Peace Corps workers, we are mostly abroad for the money." Note the word "mostly." In any case, after more than 20 years overseas in posts less palmy than Paris, I am probably a better judge than the Evleths of the average U.S. expatriate's motives. The return of overseas Americans after the 1976 tax law removed tax exemptions backs me statistically. I further submit that the counterproductivity of collection, not its difficulty, is the argument.

HERMAN ARCHER, Giza, Egypt.

Discoveries Never End

Great to hear about the "long-overdue recognition" now going to the black co-discoverer of the North Pole, Matthew Alexander Henson (People, April 8). Now about those four Eskimos who also made the trek ...

DAVID H. TAIT, Beijing.

Advertisement for AT&T AIRPORT card, showing the card and a globe. Text includes: 'Missing someone back in the States?', 'Family friends and business associates in the US are so easy to reach with the AIRPORT Card.', 'No costs are needed, since all your calls are automatically billed to your VISA or MasterCard account. And you'll get an itemized monthly statement.', 'To apply, you need is a valid US Passport, and a valid VISA or MasterCard.', 'Just call one of the 24-hour toll-free numbers below for your application, and ask for extension 174.', 'Belgium 11 7658, Denmark 0434 0268, France 19 05 90 21 27, Italy 16 78 74 090, Netherlands 06 022 0062, Sweden 020 795 616, Switzerland 046 05 3060, United Kingdom 0800 89 1132, West Germany 01 30 98 69.', 'From other countries, write to: AT&T International Information Center, P.O. Box 619475, DFW Airport, Texas 75261-9990, USA.', 'Must be issued by a U.S. bank. Some countries charge a nominal fee as part of toll-free services. Ask record dial tone.'

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ASIAN DEVELOPMENT BANK

Coming of Age

THE Asian Development Bank (ADB), founded in 1966, has come of age in more ways than one. It passed the 21-year mark last year and, more importantly, is considering how to broaden its scope. Its region already stretches from Afghanistan to Korea, and from Sumatra to the Pacific. The population it serves adds up to half that of the world.

To date, the bank has lent \$21.8 billion for 793 separate projects. Of that, about \$12.8 billion has been mobilized on concessional terms. A further \$1.7 billion, mostly in grants, has been used for technical assistance.

No Charity
Yet the Asian Development Bank is not, strictly speaking, an "aid-giver." It is a bank. It has capital. It borrows and lends like any other bank. But it lends long-term, and on projects that other banks might never consider. It also knows its kaleidoscopic region extremely well. It can now afford to be

more venturesome, to participate in more risk-security. But its basic and very long-term drive remains project finance, of all sizes, creating productive assets and maintaining them in capital-short countries.

Record Lending
Last year, the ADB lent out a record amount — \$2.4 billion, 22 percent above the 1986 level. This was partly coincidental: big projects in Bangladesh, India, Pakistan and Indonesia helped boost lending to those four countries to over 70 percent of the total.

While the bank's loans on concessional terms rose 51 percent, its market-rate loans rose only 8 percent. The Asian Development Fund, the source of the soft loans, was replenished early in the year.

A milestone last year was the first loans to China, which became a member only in 1986. These loans were for upgrading the equipment of small and medium industries and for switching to coal from

oil in power generation. These are two key elements in China's modernization drive.

In a good-news year, the bank also reduced its charges on variable-rate loans, and the rate of loan disbursement (which naturally lags behind loan approvals) rose 20 percent.

The bank lends for a wide range of projects. By broad sectors, last year's loans were:

Sector	Amount US \$M	Percent change
Transport/communications	793.9	+344
Industry	645.5	+487
Agriculture	329.0	-36
Energy	331.7	-36
Social infrastructure*	135.7	-50

* Water, urban development, housing, education and health.

Though the changes in the pattern of lending were sharp, not too much should be read into them. A number of very large projects in the rising sectors are the cause, but two approximate trends are visible when the details are studied: industrial development prospects have improved considerably in several countries, whereas in others, trade and budgeting crises have slowed

down the social infrastructure spending for the time being.

"One large project last year, for India's railways, boosted lending to the transport sector somewhat disproportionately," notes Mr. Narasimham, vice president of the bank for operations. "Over the longer term, we can see how the bank's lending pattern has really changed. In the earlier years, the prominent problem in Asia was food; the Green Revolution was just starting. The ADB responded and a good part of its funds went to agriculture, especially for food crops. Then in the 1970s came the oil crisis, so funding interest surged in energy.

New Factors

"Now, in the late 1980s," added Mr. Narasimham, "there are several other considerations: the long-term outlook for commodity prices, the oil-price weakness, the expansion of world trade in manufactured goods, and trade protectionism." There is also growing awareness of persistent poverty in the midst of plenty; wealth is not "trickling down" to so many millions; social infrastructure is stag-



Irrigation scheme in Bangladesh.

nant or even decaying in many places."

So investment needs to change and proliferate. Thus, says Mr. Narasimham, the bank will probably see loan patterns moving this way — more funds for housing, health, education; in agriculture, more for diversification of crops and processing. For some countries, however, the emphases remain the same — food and power. Agricultural production is still somewhat insecure, as last year's monsoon failure in South Asia showed.

Many ADB officials say quietly: "Smart new projects are all very well. The priority need is often for the improvement of existing capital: cleaning up irrigation, stopping leaks in electricity and water, reducing waste in farming." What they mean is that less exciting repair and improvement work is often the most productive of all.

Many Options

The bank's lending cannot be judged on a single year. One sector may leap to prominence because a large approval

was signed whereas, study of the project began two years earlier and big disbursements will begin two years later.

Gunther Schulz, vice president in charge of projects, also notes further "cyclical fluctuations."

Early emphasis on food-stuff agriculture has declined because: "There have been major accomplishments in grain output in Asia. Fifteen years ago these were thought to be impossible, people thought that many Asian countries could never feed their people. The ADB has contributed to this great turnaround."

The new problem is that grain prices have weakened — there is even "dumping." Yet poverty persists and populations are still growing. Thus the approach to agricultural lending has to change. "We now require more small-scale projects, more rehabilitation, diversification and marketing," notes Mr. Schulz.

In energy, opinions are divided. Alternatives to oil, and conservation measures, have been very successful, hence the oil-price slump; but many Asian countries are still pow-

er-short, and "the demand for new power projects will be at least as much as in the past," says Schulz.

Infrastructure — roads, ports, railways, telephones — has recently taken a larger share of lending, and this trend is likely to continue. Governments will remain the prime movers, though it is private activity that benefits most.

Private Sector

The ADB refuses to be drawn on the relative merits of government versus the private sector. Instead it urges and assists governments to provide efficient services, and charge for them.

In Asia, as in the West, there has been a change of heart over the merits of state enterprise and central planning in many fields, and privatization is becoming a watchword in several countries — not least of all in giant China. The Asian Development Bank is becoming influenced by this reconsideration and, in its own way, establishing new mechanisms to meet the future.

Links with the Private Sector

BACK in 1966, when the Asian Development Bank was still camped out in rented accommodations in a Manila suburb, Masao Fujioka arrived there, fresh from the Japanese Finance Ministry. Having graduated from the prestigious Tokyo University and spent a year studying public finance at the University of Chicago, he became the ADB's second full-time salaried employee.

He later described the time he spent as the bank's first director of administration as "the most hectic period of my life." Yet subsequently, after stints with Japan's Ministry of Finance, the IMF and the Japanese Export-Import Bank, he returned to Manila — as president of the ADB.



ADB President Masao Fujioka.

That was in 1981. Since then he has applied the rigorous discipline he learned in a Tokyo ministry, added a little Chicago drive, and recreated the excitement of establishing an entirely new sort of bank. One of his major aims has been to forge further links with the private sector.

His success is reflected by two new funds: an Asian Development Equity Fund, and a special Japan Fund. "We must restructure many Asian economies," says Fujioka, "to create higher value-added sectors. Thus we need more technical assistance, and this is one reason for the setting up of the latter fund."

New Moves
Japan's policies for recycling its payment surpluses are changing, he notes. Greater emphasis is now being placed on investment in the developing countries, and the ADB is one of the many institutions that are helping to accomplish this by offering cofinancing and untied loans.

This year, an independent team is reviewing the bank's whole nature and operations. "The 1980s have been called

the Decade of Uncertainty. But in my opinion," Mr. Fujioka says wryly, "the 1990s are even more uncertain."

He hesitates to prejudge the team's findings, but hopes that it will discuss "the comparative financing of the public and private sectors. In many Asian countries the public sector is very large; nevertheless I think the private sector is very important to accelerate economic growth. But how far can we do it?"

Key Questions
Expanded and diversified loans to, or investments in, private corporations could involve creating a network of branches. "This is not likely. So perhaps our role may be limited."

Another question concerns the sheer size of national economies. What of giants India and China and their ADB financing? "One school of thought is that we should concentrate on smaller countries." But larger countries have larger numbers of poor people. "So what should we do?"

A third point is the modality of lending — the purposes for which funds are lent. "Personally, I think we should remain basically as a project-lending institution," says Mr. Fujioka. "We create capital formation. Loans which are for balance of payment support may be effective in the short run, but then...?"

Public or Private?
Mr. Fujioka also refers to a common misunderstanding over the ADB's real, as distinct from its apparent, beneficiaries. "A loan to the public sector, creating a dam for irrigation, benefits private citizens. The same must be said for roads and harbors. How can private people and corporations prosper without this infrastructure?"

Only ideologists differentiate public from private, he says. The root question is not who owns an asset, but how efficiently it is operated. So Mr. Fujioka foresees a need for the ADB to develop as a well-spring of knowledge and know-how for both government and private enterprise. He reaffirms, however, that the new review team has complete independence.

"As for the bank's operations during this year, prospects for the region's economies and for our operations appear to be quite bright and promising," he concludes.



Power expansion in Indonesia.

A Sound Borrowing Policy

THE primary concern of the Asian Development Bank is its lending program. After all, the bank's basic task is to help developing countries build and maintain better assets. But behind the scenes the bank is equally busy finding the funds it lends.

The demand is partly met by capital contributions from all member countries, rich and poor. These consist of cash and "callable capital." The latter acts as collateral, allowing the bank to borrow on world markets and so raise money for "ordinary loans."

In addition, the "soft" loan system replaces interest rates with a small service charge. Such loans are financed by special funds from the mem-

ber countries, and reserved for those with exceptionally low national income levels.

But, as Vice President Gunther Schulz notes, the financing of projects is becoming more complex. The simple distinction between "hard" and "soft" loans is now less applicable. A typical plan today can include local-currency elements, counterpart fund arrangements, training components and policy advice. Sectoral and program loans in agriculture may involve farming, transport, credit, marketing channels and even education and health.

Analysts point out that certain developing countries would be unable to use large sums of investment, even if they were given away. They

lack the staff, the infrastructure, and sometimes even the literacy, to employ further assets effectively. Political upsets (as in the Philippines) can suddenly reduce absorptivity; oil-price shocks (as in Indonesia) can scramble budgets; trade embargoes (as in Vietnam and Kampuchea) can halt all work.

But 1987 raised hopes that project formulation, agreement, implementation and post-evaluation will enjoy a smoother ride in the future. That is, until the next crisis.

Money Management
There is also the question of disbursement — or how the money gets paid out. Stanley Katz, vice president, notes that disbursements are tending to speed up, partly because of the greater use of sectoral

and program loans covering a range of activities — which tend to get allocated and spent more swiftly.

Comparing loans to disbursements is apples-and-oranges arithmetic. The foreign exchange part of a typical loan may be required relatively late, the early work being local-currency expenditure. Thus a loan approved and recorded last year may not really begin to be spent until 1989.

An active borrower, intent on maintaining its triple-A rating, the ADB needs to exercise caution on world financial markets fraught with lower interest rates and tighter margins. "It means closer and more frequent attention," says Katz. "We now have people watching the market through the 24-hour cycle, tracking currencies."

Katz, who has been with the bank ten years, was recruited from the U.S. Department of Commerce. He has presided over big changes in the institution's internal structure, in computerization, in personnel, and in the building up of the borrowing portfolio.

This portfolio (though Katz will not allow any hyperbole on this) among the best-run in the world has given the bank a rock-solid basis for its on-lending. The ability to borrow at the best rates benefits member states. The current rate charged to developing countries is only 6.59 percent. The bank adds only 0.4 percent to its own costs.

Such a small spread, however, covers the bank's operating costs. As far as ordinary loans are concerned (that is, those which are not lent on "soft" terms through the separate Development Fund), the ADB uses no "taxpayers' money."

High Liquidity
Alan Gill is in charge of the bank's borrowing activities. "We run a minimalist funding program," he says. "We continue to have high levels of liquidity; so much of our borrowing is dedicated to keeping our name in our traditional markets."

Over the years the ADB has borrowed \$8.1 billion in a range of convertible currencies, and all its securities have carried the top rating. The bank has now reached the stage where a small but growing amount of lending is financed by repayments. Indeed, some borrowing countries are seeking to repay loans ahead of time and replace them at lower interest levels.

"Last year we borrowed a little over \$500 million, and I would say that this year we shall do about the same. Some of that will be used to refund earlier borrowings to get better rates."

In several markets, interest rates are at their lowest levels in the ADB's 21-year history. Only a few years ago, oil price crises and other stringencies drove borrowing costs up steeply. "The only problem

arises when the older borrowing does not have a 'call feature' — allowing the borrower to pay early," says Mr. Gill.

Although the bank's basic fund position is very comfortable, and the borrowing plans are "traditional," it has made use of new techniques and mechanisms. It uses Eurobonds and occasional dollar swaps to get the best funding costs, an advantage that is passed on to borrowing member countries as its own charges have come down due to variable-rate lending.

"What about interest rates this year? I go along with the consensus," says Mr. Gill. "I feel rates should be favorable to borrowers until the latter part of the year, when we'll be seeing an uptick." So the bank's strategy is to borrow earlier rather than later.

As for currency volatility, the sharp rises and falls in exchange rates — the ADB is not seriously affected, he adds. "We have very specific guidelines in our Charter on what we can do about foreign exchange exposure. Funds which we receive for bonds of capital have to be maintained in the original currencies, and our borrowers must repay us in original currencies, too."

Will there be more currency stability this year? "One does sense that there is greater willingness to act together to accomplish this. If this should lead to greater stability, then it certainly makes our job easier!"

Equity Fund: A New Venture

UNDER its Charter, the Asian Development Bank has always had powers to invest in the private business sector, and its financial operations need not be limited to interest-bearing loans. But for most of its 21 years, the majority of the bank's funds have gone to government-sector projects.

Clearly, in developing countries, it is the government that is most capable of orga-

nizing such projects and guaranteeing the loans. But a growing volume of funds has been lent through local development banks, which then on-lend the proceeds to private businesses. By year-end 1987, the ADB had extended 96 such credit lines to 34 intermediaries in 21 countries. Consequently, \$2.7 billion was paid out in the form of 12,700 sub-loans to small and medium-sized enterprises.

This year, however, there is

a structured scheme to participate more directly in the private sector, and in equity form.

Mutual Fund
The Asian Development Equity Fund was launched in January, with a \$100 million offer. Such has been the demand, that it is now being raised to \$120 million.

The shares are listed on the Luxembourg and Singapore stock exchanges, and the managers include Templeton In-

ternational of the U.S., Morgan Grenfell of the U.K. and Nomura Investment Management of Japan. In charge of the whole operation is the Industry and Development Bank division of the ADB.

Mr. Akira Tsusaka, director of the division, now has the task of making the fund's aims and operations known round the region. A team has visited South Asian countries already, and has targeted Indonesia, the Philippines and Thailand next. "There is a new momentum in these countries," he says. "Most of the fund has already started to be invested in countries where there are

no restrictions on foreign investment, such as in Hong Kong, Singapore and Malaysia."

Many Roles

Mr. Tsusaka foresees several roles which the fund can play. By investing in South Asia, it can make the world more aware of these markets. "To know little of Indian markets," he comments, citing an investment that has already been made in Delhi's DCL group.

The fund can also be used to establish venture-capital companies in countries such as South Korea and Thailand.

It can further help to expand and liberalize share markets in those countries where they are still at a formative stage — in Indonesia, Taiwan and Sri Lanka, for example.

In addition, it can help to create local merchant banking capacity, to diversify and expand local share issues, and develop leasing institutions. The latter is particularly applicable to the needs of nations such as Pakistan, Indonesia and Bangladesh.

As Vice President Narasimham concludes, the Asian Development Equity Fund "is an idea whose time has come."

Panel to Review Bank's Role

A BLUE-RIBBON team is currently studying what the ADB's role should be in the 1990s. The panel includes Credit Suisse First Boston chairman J.M. Hennessy, former Japanese foreign minister and economist Saburo Oeisa, former Indonesian minister

M. Sadli, Harvard and Oxford Professor A.K. Sen from India and former secretary-general of the OECD J.E. van Lennep.

Kedar Kohli, the bank's chief economist, spoke about some of the issues the panel is likely to examine. "There may be a change of emphasis in the

pattern of lending, and means by which help with export promotion and financing might be arranged," he commented. "It has been suggested before, but so far has been of low priority."

Certain initiatives in program lending and sectoral lending ("structural lending"

in banker's jargon) may be expanded and eased. If this were done, lending would become more effective, since loans would be approved for a whole subsector of an economy (coastal shipping, for example) and proposals for individual projects can then be speedily agreed upon.

Private sector lending is another area on which the team is expected to pronounce. "It is clear to me that government

resources are going to become scarcer and scarcer. Revenues have weakened, and the return on previous investments have not yielded the expected return," says Mr. Kohli. He suggests that such investments might better be made by the private sector. "This is not so much an ideological problem; it is an inherent problem."

The bank may also be prompted to finance more non-farm activities in the

countryside — to stem the rush to the towns which has led to massive shanty towns. While this may involve relatively less lending for work such as irrigation, crops, housing and processing, it would accentuate other needs — for power, roads, communications, education and health.

This advertising section was written by Alan Chalkley

مكتبة الأصيل

THURSDAY, APRIL 28, 1988

INTERNATIONAL MANAGER

Post-1992, Recruiting Bias Will Vanish — Or Will It?

By SHERRY BUCHANAN

LONDON — Who will manage Europe 1992? That year is supposed to see the removal of trade barriers in the European Community and an increase in EC mergers, acquisitions and joint ventures...

One survey published last week by Booz-Allen & Hamilton Inc. and the European edition of The Wall Street Journal found that 55 percent of executives said that, in post-1992 Europe, nationality would become less important when companies select senior executives...

In a survey, 55 percent of executives said nationality would be less vital; 43 percent disagreed.

Currently, many of the senior executive positions are filled in-house or via old-boy networks. Senior executives consider that they have better career opportunities in their own national companies for several reasons...

Among business schools in Europe, the European Institute of Business Administration in Fontainebleau, France, has the best representation of students from different EC countries. But of last year's Master of Business Administration graduates, 80 percent were hired by companies based in their home countries...

Outside the business schools, some efforts are being made to promote cross-border recruiting of EC students. Egec, or Etats Généraux des Etudiants Européens, a student organization with 13,000 members throughout the EC, is promoting the idea among EC companies of crossing borders to recruit future Euro-managers...

So far, Renault, the French car company, and EDF-GDF, the French gas and electric monopoly, have agreed to take on, respectively, 30 and 40 students from other EC countries for internships in marketing and production. Both companies are government-owned.

BUT THE main impetus for considering the EC as a single market for executive talent is the headquarters of U.S. and Japanese subsidiaries in Europe, according to headhunters in Europe. Heidrick & Struggles, the international executive search firm with European headquarters in Paris, has just set up a special team to handle EC searches, in response to demand from U.S. and Japanese companies who, as they set up operations in Europe, look for the best executive talent regardless of nationality...

Most of Heidrick & Struggles's recruiting business, however, as for other headhunters in Europe, is still searching in the local markets. Two years ago, Beecham Group PLC, the British drug company, made headlines and created a controversy when it conducted a worldwide search for a new chairman rather than limiting its search to the British market. Robert Bauman, an American, who was vice chairman of Textron Inc. in Providence, Rhode Island, got the job.

According to an unpublished report by TASA International, an executive search firm based in London, 14 percent of executives working at the European headquarters of U.S. companies are Americans, 63 percent are local nationals and 23 percent are third-country nationals.

Cadbury Rejects Takeover

General Cinema Plans Unclear

LONDON — Cadbury Schweppes PLC, Britain's leading candy and beverage group, said Wednesday that any move by General Cinema Corp. of the United States to gain control would be unwelcome.

Cadbury officials said they were seeking clarification of General Cinema's bid Tuesday with the U.S. Securities and Exchange Commission. The U.S. theater owner also said from its headquarters in Chestnut Hill, Massachusetts, that it "should no longer be considered a passive investor" in Cadbury.

General Cinema also is the largest independent bottler of Pepsi-Cola in the United States and half-owner of the Neiman Marcus retail store.

The developments sent the price of Cadbury shares soaring Wednesday on the London Stock Exchange. They opened Wednesday at 387 pence (77.25), up 56 from Tuesday's close of 331, then eased back to close at 367.

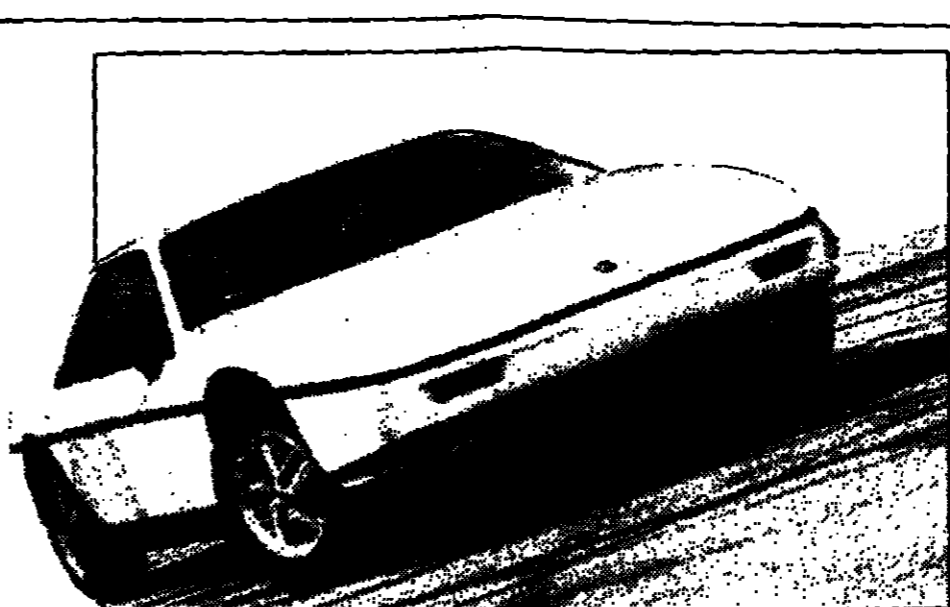
Chris Milburn, the director of investor relations at Cadbury, said, "The options in the statement were vague. We are not clear what their intentions are. We are waiting and trying to get further clarification."

But, he said, "Our attitude is unchanged. Any attempt at involvement in management of the company would be unwelcome."

Mr. Milburn said General Cinema had not been in touch with Cadbury since acquiring an 8 percent share of the British company in January 1987. General Cinema raised its stake to about 18 percent last November, in the aftermath of the global stock market collapse, and said Tuesday that it now owned 17.7 percent of Cadbury, or about 105 million shares.

General Cinema said that it planned to increase that stake to more than 25 percent and that it intended to meet U.S. regulations for a possible purchase of more

See CADBURY, Page 13



The Fiero had an engine too small for sports car buffs and commuters found it hard to steer.

Underpowered, Hard to Handle

Defunct Fiero Car Raises Questions About GM Itself

By James Risen

PONTIAC, Michigan — Five years ago, the birth of the Pontiac Fiero heralded General Motors' high hopes for new technologies, new ways of working and a new commitment to beat back imports.

Last month, when it died, the news stunned nearly every close observer of the auto industry, including managers inside GM.

To many, the life and death of the Fiero is a case study in the struggles of General Motors in the 1980s, when the No. 1 U.S. automaker's main rival, Ford Motor Co., is grabbing market share and has overtaken GM in profitability.

Lauded by GM engineers as a revolutionary advancement in the technology of car building, the Fiero was pronounced dead after GM decided not to spend enough money to make changes as basic as adding power steering.

"There were too many committees," lamented Karl Krapack, manager of car assembly operations for Pontiac during the Fiero's planning.

Scoring an initial sales success that helped give Pontiac a new reason to call itself GM's "Excitement Division," the sporty two-seater was dropped by upper management because of a sales decline that some GM officials felt could have been reversed by continuing several design and engineering modifications.

Basically, the Fiero's engine was too small to entice sports car buffs, while its steering was too difficult for many commuters.

An expensive program by GM standards, the Fiero was a low-volume model with sales of up to 100,000 a year. It nonetheless filled a void for GM in the increasingly specialized car market. Yet, in

some ways, it was an orphan in a giant company that was more comfortable with car lines that sold a half million or more units each year.

Critics say the decision to drop the Fiero shows that GM is still acting as if it can dominate the car market with a bland family of mass-produced sedans.

"What's happened to the Fiero shows how tough it is to get a new kind of product into the system at GM," said Martin Anderson, an auto industry consultant. "It wasn't a core product for GM. I don't think the Fiero was ever mainstream GM, and it certainly was viewed as a renegade product that was made sort of outside the bureaucracy."

John Hammond, an automobile analyst, added: "The Fiero story satisfies virtually every criticism offered by GM's critics."

Conceived during the second U.S. energy crunch in 1979, the Fiero was initially proposed as a high-mileage commuter car.

But even after it was reluctantly approved, tight financial constraints were placed on the program, in part because of the car's low sales projections. Those restrictions forced engineers to make sacrifices and cut corners, insiders complained.

GM imposed a \$300 million spending limit on the Fiero project, an abnormally small figure in an era when GM, Ford and Chrysler Corp. typically spend \$1 billion or more developing passenger cars.

The Fiero, the first mass-produced, plastic-paneled car with the engine positioned in the middle, also gave GM a rare opportunity to experiment with new technology. The plastic outer panels were easy to attach onto the unique steel frame chassis.

See FIERO, Page 15

Chrysler Delays Move to Mexico; Profit Falls 30%

Compiled by Our Staff From Dispatches

HIGHLAND PARK, Michigan — Chrysler Corp., announced Wednesday that it had rescinded plans to shift production of its K-car to Mexico in July.

The company said that instead it would delay closing its 5,500-worker assembly plant in Kenosha, Wisconsin, and would continue to produce the K-car in the United States during the model's phaseout.

The No. 3 U.S. automaker reported Wednesday that its first-quarter earnings had fallen nearly 32 percent from the year-earlier period because of a one-time charge for planned plant closings. At the same time, it said it would increase car and truck production by 110,000 units in the second half of 1988.

Chrysler said its earnings for the first quarter would have risen 2.75 percent without the closings charge. The company earned \$183.7 million, or 83 cents a share, on revenue of \$7.8 billion in the first three months of 1988, down from a profit of \$269.4 million, or \$1.24 a share, on revenue of \$6 billion a year earlier.

Without the plant closings charge, Chrysler said, quarterly earnings would have been \$276.8 million, or \$1.25 a share.

Chrysler had planned to move production of its Omni-Horizon small car from the Kenosha plant to Detroit's Jefferson Avenue assembly plant in this summer, while shifting production of the K-car from the Detroit plant and a plant in Newark, Delaware, to Mexico.

The Kenosha plant closing was scheduled for this fall, following the current model run for the rear-wheel-drive Dodge Diplomat, Plymouth Grand Fury and Chrysler Fifth Avenue.

But Chrysler's chairman, Lee A. Iacocca, said, "I do not want any more misunderstandings about Kenosha. It will only delay the closing."

The plant, he said, "will keep a full work force on through year's end, and that's it."

K-car plant production will continue at the Detroit and Delaware plants until 1989 orders are filled. Mr. Iacocca said. He said that if 20,000 to 40,000 more K-cars were needed before phaseout, their production would take place in January in Mexico.

As planned, the Newark plant will be converted to building a K-car replacement by early fall, he said. The announcement came after the United Auto Workers threatened to scrap early contract talks aimed at implementing an industry-pattern contract established last fall at General Motors Corp. and Ford Motor Co.

The early talks also were designed to cool tempers over the Kenosha closing and Chrysler's failed attempt to sell its 28,000-worker Acushnet Inc. parts subsidiary.

The national contract, which expires Sept. 14, covers 66,000 active workers to be affected by the closing and 1,000 engine plant workers are being negotiated separately.

Chrysler attributed the decisions on Kenosha and K-car production to better than expected sales of all cars in the first quarter.

"The first quarter was our best in 15 years at Chrysler. Our sales sized," Mr. Iacocca said. He said several car and truck models had record sales in that quarter.

Sales of the Omni Horizon reportedly jumped 80 percent from December to the beginning of April, while sales of the Aries and Reliant rose 153 percent.

(AP, Reuters)

Currency Rates

Table with columns for Currency, Bid, Ask, and other rates. Includes entries for London, New York, and various international currencies.

Other Dollar Values

Table showing exchange rates for various currencies like Swiss franc, German mark, Japanese yen, etc.

Forward Rates

Table showing forward rates for different currencies and time periods.

Interest Rates

Table showing interest rates for various currencies and financial instruments.

Key Money Rates

Table showing key money rates for different currencies.

U.S. Money Market Funds

Table showing U.S. money market funds and their yields.

Gold

Table showing gold prices in various locations like London, New York, etc.

Six Non-OPEC Producers Agree to Temporary Output Curbs

Compiled by Our Staff From Dispatches

VIENNA — Six non-OPEC nations announced Wednesday that they would reduce oil exports by 5 percent in May and June if OPEC agreed to join their effort to whittle down the global oil glut and shore up prices.

Colombia refused to participate in the proposal, although it was one of the seven outside producers that met with the pricing panel of the Organization of Petroleum Exporting Countries for a second day on Wednesday.

In a joint statement issued by OPEC and the non-OPEC nations, the independent producers said their offer was contingent on similar action by OPEC.

There was no immediate indication that OPEC would either endorse or reject the proposal, which the cartel's president, Riwan Lukman of Nigeria, earlier had called a "good beginning" for cooperation between oil producers. The fall 13-member cartel is to meet in a consultative session Thursday to consider the plan.

Iran, which was not involved in Wednesday's talks, declared its support for the export-cutting plan, but most other countries gave little indication of their views.

Analysts contend that a 5 percent cut in oil exports from both groups could raise world oil prices by about \$3, to around \$20 a barrel, this summer.

The non-OPEC group consists of Mexico, Egypt, Angola, Malaysia, China, Oman and Colombia. The 5 percent reduction would be based on average exports for the past six months.

The oil ministers of Saudi Arabia, Nigeria, Venezuela, Indonesia and Algeria sit on the OPEC pricing committee, which called for the meeting with non-OPEC nations in a bid to halt the recent oil price slide. Kuwait joined the pricing committee Wednesday to discuss the proposal.

The non-OPEC nations emphasized that "a stable market is the responsibility of all and consequently the burden must be shared."

The group said oil export curbs should be followed by "continuous contacts" between the cartel and independent producers.

The world oil market is "in a delicate balance and will have to be watched continuously over the next months," the joint statement said.

Cautioning that "production restraint would be necessary," it said producers must avoid "destructive" discounting practices.

Mexico, acting on behalf of the seven non-OPEC nations, submitted the proposal at bilateral talks with OPEC on Tuesday.

"This constitutes a serious situation and shows that the burden should be shared," said Mexico's oil minister, Fernando Hiriart Balderrama, who is pushing for equal cuts in exports from both sides to restore oil prices to OPEC's official \$18-a-barrel target.

If approved by both groups, the 5 percent output curbs would eliminate 200,000 barrels a day of exports from the six non-OPEC nations and 850,000 barrels a day from OPEC. Analysts contend that shrinking the global oil surplus by a million barrels a day would drive up oil prices to at least \$20 a barrel this summer.

On the New York Mercantile Exchange, West Texas Intermediate — the key U.S. crude — fell 37 cents Wednesday, to \$18.23 a barrel, on skepticism that an agreement on output curbs would be completed.

Mr. Hiriart said Mexico's proposal called for a review of the terms at the end of June and would have to be agreed to by the full 13-member cartel.

"The Vienna meeting is not an end in itself," he said. "It is the beginning of a new stage of cooperation between a large number of oil-producing countries, and it is hoped that other countries will join in the effort."

Sweden Imposes Deposit Rule on Cash Reserves

Compiled by Our Staff From Dispatches

STOCKHOLM — Sweden's Social Democratic government, facing a general election in September, passed a revised budget Wednesday that included an indirect tax on corporations' cash reserves.

The provision, intended to spur corporations to increase their spending, would compel companies to deposit 15 percent of their cash holdings in a special low-interest central bank fund until July 1990. It is also part of a drive to curb inflation, currently running at 5.7 percent annually.

Seeking to cool consumer spending as well, the government also plans to tighten retail credit and increase taxes on cigarettes and oil.

Recent government decisions to impose a turnover tax on Stockholm's money markets and to speed up a program to scrap nuclear power plants already had sounded an alarm among industrialists.

They fear that they will be a prime target in the Social Democrats' re-election campaign. As one London analyst has put it: "The government seems to be trying to establish its anti-capitalist credentials in the run-up to the election."

The government said Wednesday that its requirement on corporate cash was expected to take

around 10 billion kronor (\$1.7 billion) out of the economy.

The budget statement made no mention of what interest rate the special accounts would carry, but analysts said it would probably be 6 to 7 percent, or 4 to 5 percentage points below current market rates.

Turning to the overall economy, the government said Sweden would continue to have almost full employment and healthy growth through 1989.

Sten Westerberg, an economist with the brokerage Enskilda Fondkommission, said: "The government will go into the election with

the economy looking in good shape on the surface."

The Social Democrats, who have ruled Sweden for all but 6 of the past 54 years, were narrowly ahead of a bloc of three center-right parties in recent opinion polls.

Financial analysts said the move against corporate liquidity, cash estimated to total almost 100 billion kronor, was more of a political gesture to traditional blue-collar Social Democrat supporters than a real blow to the companies.

"There's nothing in this budget to lose the Social Democrats a lot of votes," said Mustafa Shah, an

See SWEDEN, Page 17

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See SWEDEN, Page 17

De Beers, Sales Up, Raises Diamond Prices

Compiled by Our Staff From Dispatches

LONDON — The De Beers diamond cartel said Wednesday that it was increasing its prices for rough gemstones by an average of 13.5 percent because worldwide sales were soaring despite last fall's stock market collapse.

The sales of diamonds, which are priced in dollars, have benefited from the decline in the U.S. currency, which makes them cheaper to holders of Japanese yen and European currencies.

De Beers Consolidated Mines Ltd., a Johannesburg-based concern that controls 80 percent of the world's rough diamond market through its London-based marketing arm, Central Selling Organization, said the price increases, for a broad range of uncut diamonds, would take effect May 3.

When De Beers last raised its prices, by an average of 10 percent

for the momentum behind demand is coming from Japan and Southeast Asia.

De Beers reported record sales of almost \$3.08 billion in 1987, up 23 percent from sales of \$2.5 billion in 1986. Mr. Dickson said that sales, which had slumped in the early 1980s, rose even though De Beers cut supply after the Oct. 19 stock market collapse.

Jewelry sales generally were strong at Christmas, he said.

"The mood is optimistic and we would look forward to 1988 being a good year," Mr. Dickson said. But he declined to provide a forecast.

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BUSINESS ROUNDUP

Midi, Axa Merge to Block Generali

Compiled by Our Staff From Dispatches PARIS — The planned merger of France's two major private insurance companies, Compagnie du Midi and Groupe Axa, is clearly designed to fend off an expected takeover bid for Midi by the Italian insurer, Assicurazioni Generali SpA, industry analysts said Wednesday.

Midi announced late on Tuesday that it would sell a large minority interest to Axa, which until now had been a major rival. The combination will create France's second largest insurance group, with premium income of around 36 billion francs (\$6.3 billion), behind the state-owned Union des Assurances de Paris.

"It's a pious measure," said Christopher Aldous, an analyst with Barclays de Zoete Wedd. Midi, to blunt Generali's 13.6 percent stake in the company, had already sold rights to new shares by issuing two Eurobonds convertible into equity. The potential share increase represented a 20 percent dilution for existing shareholders.

Analysts say that the sale of shares to Axa will have a similar diluting effect and that the merged company would now be big enough to make a takeover difficult. At the same time, the merged company would be a large enough economic force to prompt government pro-

tection against any unwelcome bid. "This will dilute Generali's holdings by 50 percent," said Mr. Aldous of the merger. "It can't sit back and let it happen." Although Generali had held 13.6 percent before the merger announcement, dealers said it may have increased this to as much as 20 percent.

Generali, which is based in Trieste, declined to comment. Midi shares sagged in response to the merger accord, initially slipping 70 francs to 1,740 francs from Tuesday's finish, despite speculation of a takeover bid by Generali. The shares later recovered to close at 1,761 francs.

Analysts expected Generali and its allies to continue buying Midi shares to at least build a minority blocking share. Generali was rumored to be preparing a tender offer of at least 2,300 francs a share, having made it known that it would pay up to 2,000 francs a share for any significant blocks, market sources said.

"I doubt Generali would make the effort it's made to be diluted out of sight," said Diana Barran, an analyst with Enskilda Securities.

No details have yet emerged of the size of the stake Axa will take, although the company is to become the "shareholder of reference." Dealers said this meant it would take 20 percent to 40 percent of Midi's capital.

Analysts were caught off guard by the merger announcement, as Midi's chairman, Bernard Pagezy, and the Axa chairman Claude Bébéar are known as bitter enemies. Two years ago, Axa beat out Midi in a bidding war for the Prénance group of insurance companies.

"It's quite surprising, given the animosity between these two men," said Simon Rudolph, insurance analyst with Phillips & Drew stockbrokers in London.

The status of Midi's two convertible Eurobonds, launched to put its shares into friendly hands, remained in doubt.

The lead manager of the issues, Swiss Bank Corp., said Wednesday that it had halted trading in the paper. Later, a Midi spokesman said no decision would be made until perhaps Monday on whether to annul the placements of bonds.

The bonds, amounting to £275 million and 330 million European currency units, raised the equivalent of \$1 billion. Although underwriters were allotted bonds over the past weekend, the official signing is not scheduled until May 5.

Klöckner & Co. Broke Even During 1987

Reuter DUISBURG, West Germany — Klöckner & Co., a West German trading group, said Wednesday that it broke even in 1987, after making an after-tax profit of 5.4 million Deutsche marks (\$3.22 million) in 1986.

Its chief executive, Jörg Henle, said the company broke even only after drawing from reserves. He did not specify the amount, but said it was in the tens of millions of marks. He also said the company would omit a 1987 dividend.

Sales dipped to 10.9 million DM from 11 billion in 1986. Klöckner said its results were hurt by what it called extraordinary commitments of more than 130 million DM in 1987, of which 90 million came from writing down the book value of its stakes in the heavy industry concerns Klöckner-Werke AG and Klöckner-Humboldt-Deutz AG. Both companies reported large losses in their latest financial years.

Seagram Goal for China: \$1 Billion Joint Venture Aims to Reach Growing Pacific Market

Reuter TORONTO — With its signing of a joint venture agreement to produce whiskey and sparkling wines in China, Seagram Co. hopes to penetrate the vast Chinese and Asian market to generate \$1 billion in sales within 10 years, its president of international operations says.

Edward McDonnell said in an interview that the venture, announced Monday, would give the company a large exposure in a region that has alcohol's greatest growth potential. "We see it as a tremendous opportunity," Mr. McDonnell said from New York. "The big growth opportunity is the Pacific rim, both in terms of profit and sales."

Seagram said it had signed the joint venture agreement with China Distillery in Shanghai to produce whiskey, sparkling wines and wine coolers for the Chinese market and for other markets in the Far East. The partners will form Shanghai Seagram Ltd., and they plan to build a production and bottling facility in Shanghai.

Mr. McDonnell said Seagram and the Chinese were planning to build a distillery there in two or three years that will have an annual capacity of five million cases. Seagram expects the Chinese op-

erations to post "hundreds of millions" of dollars in sales within the first five years. The company is projecting that the venture will have losses in the first year. It plans to reinvest earnings in the operations for about 10 years before taking profits.

Seagram is using its joint venture in South Korea as a model. It has built up its operations there by reinvesting profits for six years. Now, holding two-thirds of the Korean whiskey market, Seagram has begun taking profits.

The Chinese venture represents a growing trend toward markets outside North America, where demand for alcohol has been flat.

Demand in Asia, where Seagram has joint ventures in Japan, South Korea and Thailand, is climbing at more than 10 percent a year.

Five years ago, sales from Seagram International represented less than one-third of total sales. Those operations now account for more than half of sales and earnings.

Revenues in the international operations reached \$2.1 billion in 1987, exceeding the \$1.5 billion forecast five years ago.

In a new five-year plan, sales of the international operations are conservatively expected to exceed \$3 billion by 1992, Mr. McDonnell

said. This does not include results from the Chinese operations. Increasing affluence, the ability to market through television and sheer numbers make China an attractive market, he said.

In keeping with Seagram's premium-pricing strategy, it will sell its products at 25 percent above local market prices.

The Chinese will build the plant and supply the labor while Seagram will provide the equipment and technology and manage the operation. It will bottle imported products from Seagram operations around the world as well as alcohol from the Shanghai company.

Seagram has marketed distilled spirits and wines in China for several years, selling 30 brands of beverages through its Hoong Kong division.

The cognac makers Rémy Martin and Seagram's newly acquired Martell & Compagnie have small operations in China.

The chairman of Seagram, Edgar Bronfman, has said Seagram will make no major acquisitions for three to five years. But Mr. McDonnell said small purchases would continue.

"We have an ongoing policy of tactical or local acquisitions, which we will be able to do," he said.

Du Pont Chief Predicts Gains In 1988 Profits

Compiled by Our Staff From Dispatches WILMINGTON, Delaware — Du Pont Co. sees 1988 earnings exceeding last year's \$1.79 billion, or \$7.39 a share, the company's chairman, Richard E. Heckert, told shareholders at the annual meeting Wednesday.

"Based on what we've seen so far, we have every reason to expect that our 1988 earnings will exceed last year's good showing," he said.

The company reported first quarter earnings of \$590 million, or \$2.45 a share, up from \$391 million, or \$1.62 a share, a year earlier, exceeding most analysts' expectations.

The company attributed the first-quarter gains to cost-cutting and improved sales of agricultural and industrial chemicals, coal, petroleum and polymers.

The results include nonrecurring gains of \$40 million from the settlement of litigation, the sale of technology and the sale of its U.S. and Canadian explosives business. (Reuters, AP)

Japan Auto Exports Off 5%, Hurt by U.S. Market Decline

United Press International TOKYO — Reflecting sluggish U.S. demand, Japan's exports of motor vehicles have fallen for the second straight year, the Japan Automobile Manufacturers' Association reported Wednesday.

Toshiharu Nishimatsu, an association spokesman, said car exports to the United States in the 12 months ended March 31 fell short of the 2.3-million annual quota for the first time since voluntary restraints were imposed in 1981.

"The yen's steep appreciation against the dollar, which has weakened the price competitiveness of Japanese cars, was the main factor behind slow exports to the U.S. market," he said.

Overall sales of cars, trucks and buses totaled 6,268,210 vehicles, down 4.9 percent from the year-earlier period, he said, noting that exports for those 12 months were off 3.8 percent from the prior year, to 6,590,580.

Car sales for the latest period fell 1.3 percent, to 4,524,438, while truck sales were off 13.8 percent, to 1,707,019. Bus sales rose 30.1 percent, to 36,753.

Exports to the U.S. market totaled 3,011,514 vehicles, down 11.3 percent from 3,393,978, the spokesman said. Car sales alone came to 2,214,149, far short of the year's ceiling of 2.3 million.

Mr. Nishimatsu said "the environment remains severe." He said exports to Europe were almost unchanged at 1,634,984 vehicles, compared with 1,646,466 in the previous period.

Sales to Southeast Asian nations had increased notably, he said, reflecting a growing demand. Exports to that region increased to 477,780 from 434,210 in the preceding year. Sales to Thailand rose to 102,191 from 66,166, while those to South Korea rose to 54,578 from 10,179.

Domestic sales for the year set a record of 4,528,377, up 9.9 percent, reflecting a sales drive by manufacturers to make up for the loss in exports. Domestic sales of passenger cars rose 8.3 percent, to 3,275,019, while those of trucks jumped 14.4 percent, mirroring an expanding demand that was a result of steady economic recovery at home.

FIERO: The Sudden Death of Pontiac's Underpowered Car Raises Questions About GM's Drive in the '80s

(Continued from first finance page)

and GM engineers predicted that the Fiero would provide the domestic auto industry with a major breakthrough in the competition with the imports to improve exterior "fit and finish."

Unfortunately, the exterior design was not the real problem. The Fiero's most serious troubles were on the inside.

To cut costs, the Fiero was forced to borrow a small, four-cylinder engine from GM's family of X-car subcompacts.

That was fine, as long as the Fiero was targeted for commuters. But by the time the car was ready for production in the summer of 1983, the energy crisis was over, and performance cars were making a comeback. With its snappy exterior styling, an all-plastic body and a novel mid-engine configuration, the Fiero looked like a sports car.

So GM marketed it as one, even though it still did not have the horsepower.

Initially, the packaging worked: by 1984, Pontiac was selling nearly 100,000 Fieros a year, far exceeding GM's expectations.

After this sales burst, it became clear that few real sports-car enthusiasts were being fooled by the Fiero's subcompact engine. Instead, young women buyers were flocking to the car, apparently unconcerned by its lack of power.

Yet the Fiero had still another problem — it had no power steering, and customers

quickly began to complain that it was hard to handle.

Existing GM power-steering systems would not work on the mid-engine Fiero, and GM decided it would be too expensive to develop one whose cost could only be spread over the Fiero's relatively small sales volume. Thus underpowered and hard to handle, the Fiero's novelty wore off quickly.

The uniqueness of the car helped lead to its demise," noted Ernie Schaefer, the original Fiero plant manager and now manager of GM's assembly plant in Los Angeles. "GM has to allocate resources, and when you can't allocate the cost of power steering to 40,000 units on a Fiero or 1 million units in another car line, which one would you choose?"

David Campbell, GM's group operations director for Chevrolet, Pontiac and GM of Canada, argued that long engineering lead times, not a lack of commitment, made it difficult for GM to react quickly to the Fiero's problems.

Soon, other engineering flaws, which eventually led to a recall for engine fires last year, blanketed the Fiero in negative publicity. High repair costs and soaring insurance rates for two-seater cars also hurt. Sales began to decline in 1985 and then went into a free-fall, plunging to 47,000 last year.

Abruptly last month, the saga ended. "Unfortunately, market demand is not

sufficient to continue production of the Fiero and we therefore must idle the plant," Mr. Campbell, the operations director, said simply in a March 1 statement. "We regret having to make this decision."

GM said that it was killing off the Fiero at the end of the 1988 model year, shutting down the Pontiac assembly plant where they were built and eliminating the jobs of about 2,000 people.

The plant had consistently received the highest quality ratings of any GM assembly operation, and its work force had worked closely with management to create a team approach to car building that both GM and the United Auto Workers union agreed was one of the most innovative in the American auto industry.

The Fiero had been such a visible program for the company in so many ways that most thought GM was committed to turning it around.

Just a few months earlier, Pontiac had issued a press release singing the Fiero's praises. "We think the improvements to the 1988 Fiero are dramatic and in sync with our well-earned reputation as the 'Excitement Division' of General Motors," it said, adding that the Fiero is "the complete road car that Pontiac driving enthusiasts have come to expect."

The news "caught everybody by surprise," said Mr. Schaefer, the Fiero's original plant manager. "I had heard it was

being studied, but I had no idea this was going to happen."

Many see the Fiero story as symptomatic of the problems at GM, whose earnings of \$3.55 billion last year trailed Ford's \$4.6 billion. It was the second consecutive year that Ford outearned GM, although Ford's sales at \$71.6 billion were still behind GM's \$101.78 billion.

The company that once defined what an automobile was for the American people now seems to be settling for a shrinking share of a market increasingly dominated by its foreign and domestic competition, analysts say. The attention of GM's top managers now seems directed more at the company's financial returns than in rebuilding its market share.

On Tuesday, however, Roger B. Smith, GM's chairman, rejected reports from analysts that the company would cut production capacity to fit its reduced market share. He said the company wanted to regain a 45 percent share for U.S. car and truck sales, compared with 34.7 percent last year and 44.1 percent in 1980. The reports followed a GM briefing for analysts.

The company has promised GM shareholders a 15 percent return on equity by 1990 — up from the current 11 percent, a move taken to placate institutional investors. And GM officials have previously said that if its efforts to make GM stock

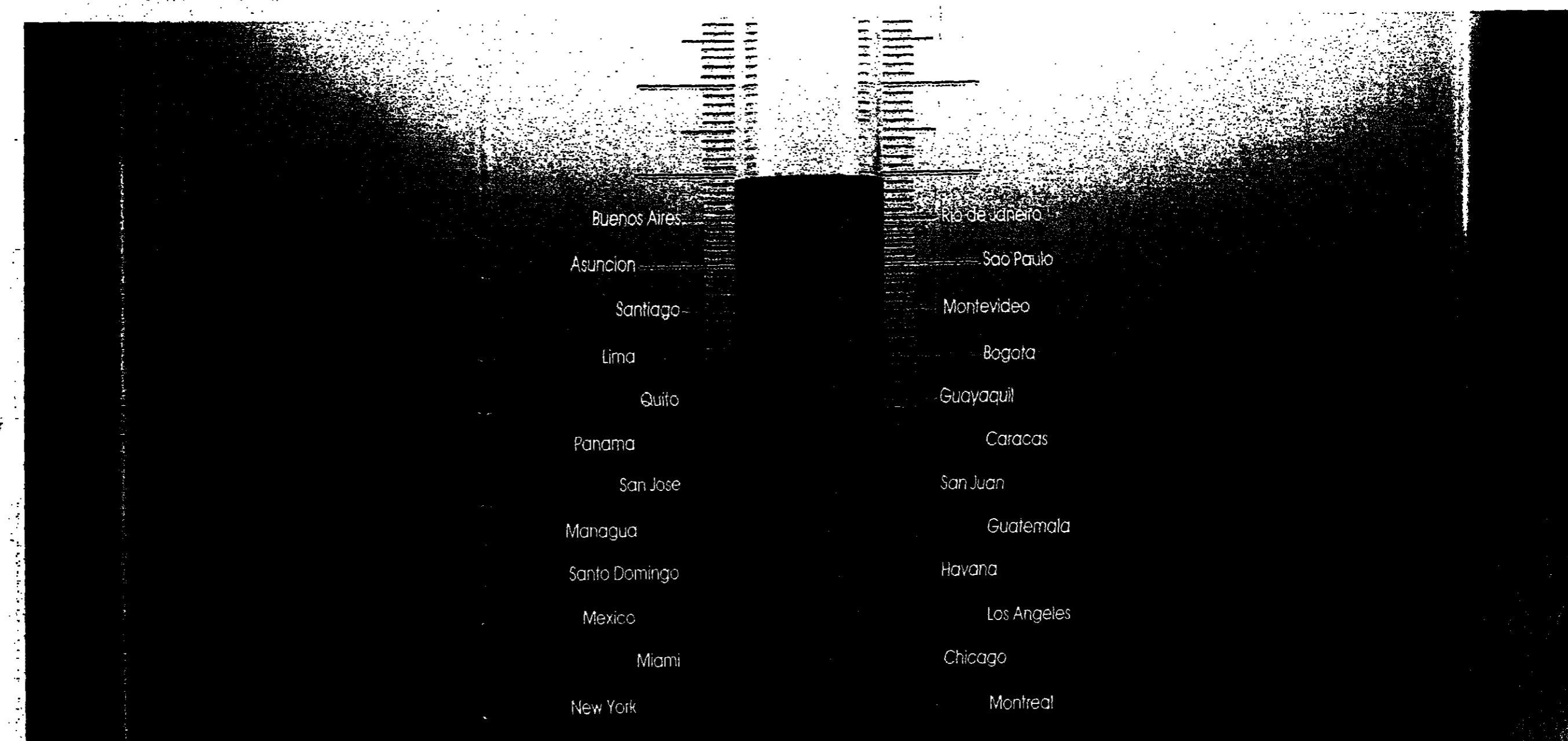
more alluring to Wall Street meant erosion of its market share, so be it.

"There is no question that the gut bottom line on the Fiero was financial," said David Cole, director of the Center for the Study of Automotive Transportation at the University of Michigan, who defended GM's Fiero decision. "This was based on top corporate people saying, 'We cannot justify keeping this in place. A couple of years ago, I think they would have rode it longer — and lost a lot of money.'"

The decision also raised questions about GM's commitment to innovative labor relations.

"For the workers and the union involved, the Fiero was a high-risk, innovative venture; they accepted a lot of new approaches," said Harley Shaken, an expert on labor relations in the auto industry at the University of California, San Diego. "But this decision to close the plant is simply business as usual, and it undercuts all the effort that went into that plant. The bottom line was that the company showed little commitment."

GM executives acknowledged that they are disappointed to lose what was perhaps their best American work force. "The guys did everything we asked them to, building a very high-quality car," observed Mr. Campbell, the operations director. "But we can't build cars if we can't sell them."



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Wednesday's AMEX Closing

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17 Month High Low	Stock	Div. Yld PE	52 High Low	Close	Chg.
18 1/2	ABN G N	4.00 10 10	18 1/2 18 1/2	18 1/2	0
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The Global Newspaper.



Floating-Rate Notes

April 27

Issuer/Int.	Common Next Bid Askd
Alpha Finance 90/1	7.60 7.65 7.65 7.70
Alitalia 90/1	7.10 7.15 7.15 7.20
Alitalia 90/2	7.10 7.15 7.15 7.20
Alitalia 90/3	7.10 7.15 7.15 7.20
Alitalia 90/4	7.10 7.15 7.15 7.20
Alitalia 90/5	7.10 7.15 7.15 7.20
Alitalia 90/6	7.10 7.15 7.15 7.20
Alitalia 90/7	7.10 7.15 7.15 7.20
Alitalia 90/8	7.10 7.15 7.15 7.20
Alitalia 90/9	7.10 7.15 7.15 7.20
Alitalia 90/10	7.10 7.15 7.15 7.20

Issuer/Int.	Common Next Bid Askd
Alitalia 90/11	7.10 7.15 7.15 7.20
Alitalia 90/12	7.10 7.15 7.15 7.20
Alitalia 90/13	7.10 7.15 7.15 7.20
Alitalia 90/14	7.10 7.15 7.15 7.20
Alitalia 90/15	7.10 7.15 7.15 7.20
Alitalia 90/16	7.10 7.15 7.15 7.20
Alitalia 90/17	7.10 7.15 7.15 7.20
Alitalia 90/18	7.10 7.15 7.15 7.20
Alitalia 90/19	7.10 7.15 7.15 7.20
Alitalia 90/20	7.10 7.15 7.15 7.20
Alitalia 90/21	7.10 7.15 7.15 7.20

Issuer/Int.	Common Next Bid Askd
Alitalia 90/22	7.10 7.15 7.15 7.20
Alitalia 90/23	7.10 7.15 7.15 7.20
Alitalia 90/24	7.10 7.15 7.15 7.20
Alitalia 90/25	7.10 7.15 7.15 7.20
Alitalia 90/26	7.10 7.15 7.15 7.20
Alitalia 90/27	7.10 7.15 7.15 7.20
Alitalia 90/28	7.10 7.15 7.15 7.20
Alitalia 90/29	7.10 7.15 7.15 7.20
Alitalia 90/30	7.10 7.15 7.15 7.20
Alitalia 90/31	7.10 7.15 7.15 7.20
Alitalia 90/32	7.10 7.15 7.15 7.20

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Alitalia 90/34	7.10 7.15 7.15 7.20
Alitalia 90/35	7.10 7.15 7.15 7.20
Alitalia 90/36	7.10 7.15 7.15 7.20
Alitalia 90/37	7.10 7.15 7.15 7.20
Alitalia 90/38	7.10 7.15 7.15 7.20
Alitalia 90/39	7.10 7.15 7.15 7.20
Alitalia 90/40	7.10 7.15 7.15 7.20
Alitalia 90/41	7.10 7.15 7.15 7.20
Alitalia 90/42	7.10 7.15 7.15 7.20
Alitalia 90/43	7.10 7.15 7.15 7.20

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Alitalia 90/44	7.10 7.15 7.15 7.20
Alitalia 90/45	7.10 7.15 7.15 7.20
Alitalia 90/46	7.10 7.15 7.15 7.20
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Alitalia 90/48	7.10 7.15 7.15 7.20
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Alitalia 90/51	7.10 7.15 7.15 7.20
Alitalia 90/52	7.10 7.15 7.15 7.20
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Alitalia 90/54	7.10 7.15 7.15 7.20

Issuer/Int.	Common Next Bid Askd
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Alitalia 90/58	7.10 7.15 7.15 7.20
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Alitalia 90/60	7.10 7.15 7.15 7.20
Alitalia 90/61	7.10 7.15 7.15 7.20
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Alitalia 90/63	7.10 7.15 7.15 7.20
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Alitalia 90/65	7.10 7.15 7.15 7.20

Issuer/Int.	Common Next Bid Askd
Alitalia 90/66	7.10 7.15 7.15 7.20
Alitalia 90/67	7.10 7.15 7.15 7.20
Alitalia 90/68	7.10 7.15 7.15 7.20
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Alitalia 90/70	7.10 7.15 7.15 7.20
Alitalia 90/71	7.10 7.15 7.15 7.20
Alitalia 90/72	7.10 7.15 7.15 7.20
Alitalia 90/73	7.10 7.15 7.15 7.20
Alitalia 90/74	7.10 7.15 7.15 7.20
Alitalia 90/75	7.10 7.15 7.15 7.20
Alitalia 90/76	7.10 7.15 7.15 7.20

Issuer/Int.	Common Next Bid Askd
Alitalia 90/77	7.10 7.15 7.15 7.20
Alitalia 90/78	7.10 7.15 7.15 7.20
Alitalia 90/79	7.10 7.15 7.15 7.20
Alitalia 90/80	7.10 7.15 7.15 7.20
Alitalia 90/81	7.10 7.15 7.15 7.20
Alitalia 90/82	7.10 7.15 7.15 7.20
Alitalia 90/83	7.10 7.15 7.15 7.20
Alitalia 90/84	7.10 7.15 7.15 7.20
Alitalia 90/85	7.10 7.15 7.15 7.20
Alitalia 90/86	7.10 7.15 7.15 7.20
Alitalia 90/87	7.10 7.15 7.15 7.20

Issuer/Int.	Common Next Bid Askd
Alitalia 90/88	7.10 7.15 7.15 7.20
Alitalia 90/89	7.10 7.15 7.15 7.20
Alitalia 90/90	7.10 7.15 7.15 7.20
Alitalia 90/91	7.10 7.15 7.15 7.20
Alitalia 90/92	7.10 7.15 7.15 7.20
Alitalia 90/93	7.10 7.15 7.15 7.20
Alitalia 90/94	7.10 7.15 7.15 7.20
Alitalia 90/95	7.10 7.15 7.15 7.20
Alitalia 90/96	7.10 7.15 7.15 7.20
Alitalia 90/97	7.10 7.15 7.15 7.20
Alitalia 90/98	7.10 7.15 7.15 7.20
Alitalia 90/99	7.10 7.15 7.15 7.20
Alitalia 90/100	7.10 7.15 7.15 7.20

مكاتبنا في القاهرة

CURRENCY MARKETS

Dollar Eases in Thin N.Y. Trading

LONDON — The dollar eased Wednesday against most major currencies in New York after closing mixed in London, in mostly thin, technical trading.

London Dollar Rates

Table with columns: Currency, Unit, Rate. Includes Deutsche mark, French franc, Swiss franc, etc.

News that six non-OPEC countries had conditionally agreed to a 5 percent cut in exports for May and June had little impact in New York, as reports of an imminent accord had already circulated there.

trade-weighted index against a basket of currencies, it was unchanged from the opening and previous close at 73.2.

The pound is expected to remain in its current range until the British trade figures for March are released on Friday.

At the close in New York, the U.S. currency slipped to 1.6748 Deutsche marks, from 1.6768 DM on Tuesday, to 124.85, after 125.10; to 1.3870 Swiss francs, from 1.3875; and to 5.6860 French francs, from 5.6950.

Analysts expect a £1.1 billion deficit in visible trade after £1.3 billion in February, and a current account deficit of around £600 million after £720 million.

The British pound, however, lost some ground against the dollar, finishing at \$1.6740 from \$1.6755.

But the underlying trend for sterling remains quite strong, he said, with the currency still finding strong demand among European investors.

Dealers traced the dollar's decline to its inability to break through key resistance levels. It twice failed to breach 1.68 DM, and also could not pass convincingly through 125.30 yen.

In earlier European trading, the dollar was fixed in Frankfurt at 1.6789 DM, up from 1.6725, and in Paris at 5.6980 French francs.

In London, the dollar fell about half a penny from its highs when a governor of the U.S. Federal Reserve, H. Robert Heller, said that the U.S. budget deficit and the risk of inflation still represented significant challenges to the Fed's goal of economic growth with price stability.

High company liquidity has contributed to a powerful credit expansion, which in turn has helped push up wage costs," he said.

"Heller raised it," said a dealer at a British bank, "and a few sell orders by some big players did the rest."

Swedes who want to do their shopping on credit will have to pay at least 40 percent of their purchases in cash.

By the London finish, the dollar was hardly changed at 1.6752 DM from 1.6750 on Tuesday's close, but had risen to 125.25 yen from 124.70.

The minister also increased taxes on cigarettes and oil, but he promised that Sweden's high personal tax levels would be lowered next year.

The U.S. currency also edged up to 1.3880 Swiss francs after 1.3865, but declined to 5.6855 French francs from 5.6885.

"I was really hoping for something more to dampen private consumption — perhaps to prevent people taking out loans," said Willy Bergstrom, who heads the Labor Unions Economic Research Institute.

The British pound hardly budged against the dollar, closing at \$1.6765 after Tuesday's \$1.6760.

The revised budget, which is almost certain to be passed next month by the Riksdag, or parliament, sees Sweden's underlying budget deficit narrowing to 1.4

SWEDEN: Deposit Rule Imposed on Cash Reserves

(Continued from first finance page)

economist with the London brokerage Phillips & Drew. "The average voter will be pleased."

But he and other analysts said it was uncertain whether the government had done enough to prevent the economy from overheating.

Finance Minister Kjell-Olof Feldt's outlook for the economy was considerably more optimistic on Wednesday than in January, when he presented the original 1983-84 budget.

Gross domestic product is now expected to grow by more than 2 percent in 1983 and unemployment to stay at around 1.9 percent — among the lowest levels in the industrialized world.

"We must give priority to three things now: a reduction in private spending, a better-working economy and lower wage increases," Mr. Feldt said at a news conference.

Bonn to Seek Planning Panel For EC Bank

BONN — West Germany will ask European Community leaders to name a planning panel to pave the way for an EC central bank, a senior government official said Wednesday.

Irmgard Adam-Schwartz, Foreign Ministry state minister, said Bonn would propose a five-person council of independent experts at the June 27-28 meeting of EC heads of state in Hannover. The meeting will close with West Germany's six-month presidency of the 12-nation bloc.

The council would be asked to come up with plans for a joint currency and central bank, she said. The community's plans for a bloc without internal economic barriers by 1992 can function only if there is a united zone for the European currency unit, she added.

Hans-Dietrich Genscher, West Germany's foreign minister, has long urged creation of an EC bank.

Japan's Insurers Turn to Gilts, Australian Bonds

TOKYO — Japan's giant life insurance companies have cut their purchases of U.S. Treasury securities and increased their buying of British Treasury paper, or gilts, and of Australian dollar bonds, bond managers say.

The managers confirmed, as was earlier feared, that the insurers have been moving out of U.S. dollar paper since the start of their fiscal year on April 1.

The managers also cited market reports that Japan's Postal Life Insurance System, or Kampo, which invested 74.9 billion yen (\$600 million) in foreign bonds in the past fiscal year, was joining the trend and expanding its already large gilt investments.

The shifts follow earlier reported foreign exchange losses of 4.5 trillion yen on dollar-denominated securities by life insurers in the two fiscal years ending March 31, 1982.

From April 1, 1987, through Feb. 29, 1988, total life insurer foreign bond investment was 10.65 billion yen, according to industry estimates.

"The continuing instability of the dollar against the yen is stopping Japanese end-in-

vestments in U.S. securities," said Shuichi Hattori, director of the fixed-income division of County NatWest Securities Japan Ltd.

"We want to invest in bonds denominated in a strong currency, even if the bond itself yields comparatively low returns. That is the general attitude among Japanese investors," Mr. Hattori said.

A foreign investment manager at a life insurer said his firm had diverted "nearly 60 percent" of all new funds for foreign securities investments into non-dollar bonds since April 1.

"We haven't spent any money on U.S. Treasuries since then," he said. "We are not especially attracted by European bonds, but they are still a good place to park funds."

Nobuhiko Seko, a manager at the bond department of S.G. Warburg Securities (Japan), said "Strong sterling and the fairly high interest rates in the U.K. are the basic attractions for Japanese investors."

Britain's benchmark 11 1/2 percent, 20-year bond is currently yielding around 9.36 percent, gilt traders said.

The expected start of primary dealing in gilts

in London by two Japanese brokers, Nomura Securities Co. and Daiwa Securities Co., is also boosting the interest of Japanese investors, a gilt salesman at a British firm here said.

Another plus for gilts is talk in the market that Kampo is increasing its holdings of them. That encourages Japanese life insurers to follow suit, as Kampo's moves are viewed as the equivalent of an official endorsement.

In addition to gilts, Australian bonds are attracting increased interest from Japanese life insurers, the bond managers said. Australian bonds have high yields and the Australian dollar now appears a comparatively stable currency, a bond trader at Bain & Co. said.

Some traders said an Australian tax exemption for foreign pension fund investors in bonds was more favorable than the treatment such investors get elsewhere.

The trade-weighted index for the Australian dollar, a key index calculated by the Reserve Bank of Australia, is currently nearing 55.0, against 51.0 in October after the world market collapse, a trader said. The key 12 1/2 percent Commonwealth government bonds, due 1998, are currently at 11.57 percent, dealers said.

U.S. Personal Income Rose 0.8% in March

WASHINGTON — Americans' incomes, largely propelled by profit-sharing payments in the auto industry, shot up 0.8 percent in March, the biggest increase in three months, while consumer spending rose 0.7 percent, the government said Wednesday.

The spending and incomes report provided further evidence that the consumer U.S. economic growth despite the fears that had been raised after the October stock market collapse.

In a report Tuesday on economic growth for the first quarter, the government had said that consumer spending, after adjustment for inflation, climbed at an annual rate of 3.8 percent from January through March, providing most of the strength for overall economic growth of 2.3 percent during the quarter.

"There is no serious consumer retrenchment going on. People are still willing to buy," said Sandra Shaber, an economist with the Futures Group, an economic forecasting firm in Washington.

"We shouldn't face any serious problem of a spending slump for the rest of the year," she said.

Ms. Shaber predicted that consumer spending would rise at a modest 2 percent annual rate for the entire year, about the same as in 1982.

In Wednesday's report, the Commerce Department reported that the 0.7 percent rise in March followed a revised 0.8 percent rise in February and a 0.1 percent rise in January. The department previously had reported February's spending up 0.7 percent. January's figure was not revised.

The report said the 0.8 percent increase in incomes, which followed revised increases of 0.6 percent in February and 0.1 percent in January, was the biggest monthly improvement since a similar 0.8 percent rise in December. February's rise was originally reported at 0.9 percent, and January's at 0.3 percent.

The department said personal income in both March and February was affected by special factors, including profit-sharing payments in the auto industry and a large increase in Social Security payments.

The auto profit-sharing alone accounted for more than half of the \$12.3 billion growth in the key wages category.

Fed's Heller Sees Threat to Policy

WASHINGTON — H. Robert Heller, a Federal Reserve Board governor, warned on Wednesday that the U.S. central bank's policy goal of growth with price stability faces significant challenges from U.S. budget deficits and the risk of inflation.

"Achieving sustainable economic growth with price stability will remain the central objective" of Fed policy, Mr. Heller said in remarks prepared for a seminar at the University of Cologne and released in Washington, but he said, achieving the goal was being complicated by a deterioration in U.S. monetary aggregates and by rising pressure on prices.

"Structural adjustments will be needed to bring the government's budget and the current account of the balance of payments into better balance," he said. Mr. Heller also cautioned that U.S. domestic consumption needs to be curbed in coming months to head off "the development of excess demands on resources."

The savings rate — savings as a percent of disposable income — dipped slightly last month to 4.5 percent, compared with 4.7 percent in February.

The spending advance came in the categories of nondurable goods and services. Durable goods, items expected to last at least three years, edged down \$300 million during March after a huge \$9.2 billion rise in February.

But purchases of nondurable goods were up \$9.8 billion, and purchases of services, which include housing costs, rose \$12.2 billion.

Wednesday's OTC Prices. NASDAQ prices as of 4 P.M. New York time. This list, compiled by the AP, covers 1,000 most traded OTC stocks of dollar volume. It is updated twice a year.

Table of OTC stock prices with columns for stock name, price, and change.

Table of international stock prices with columns for country, stock name, price, and change.

Table of international stock prices with columns for country, stock name, price, and change.

Table of international stock prices with columns for country, stock name, price, and change.

Table of international stock prices with columns for country, stock name, price, and change.

Czech Dissident Is Reported Dead. A Czech dissident is reported to have died, according to reports from Prague.

SPORTS

Bruins Beat Montreal, End 45-Year Jinx

By Malcolm Moran
New York Times Service

MONTREAL — A teeth-grinding, frustration-filled 45-year tradition of playoff first-round exits ended decisively Tuesday night, as the Boston Bruins finally demonstrated that the Montreal Forum is not a haunted house.

After 18 consecutive playoff series losses to the Montreal Canadiens, the Bruins made use of two goals each by Steve Kasper and Cam Neely to beat the Canadiens, 4-1, for a four-game-to-one victory in the Adams Division Finals.

The Bruins, who have not won a Stanley Cup since 1977, will next meet the winner of the New Jersey-Washington series for a chance to return to the National Hockey League championship series.

Tuesday's final five minutes turned into a celebration for the outnumbered Bruin fans in the standing-room-only crowd of 18,094.

While many of the Canadian fans began to leave, the small groups of Bruin fans in black and gold jerseys leaped and screamed and sang.

Before this year, each time the Bruins and the Canadiens would meet in the playoffs, Boston fans would moan of how Ken Dryden stole a series and prevented a powerful Bruin team from winning a second consecutive cup in 1971.

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room said. The guys here are going to do it. You do it for yourself first, and the rest follows."

Lemelin stopped 28 of the 29 Montreal shots. The 33-year-old made the save that prevented the Canadiens from taking an early lead. Larry Robinson, the veteran Montreal defenseman, broke through the defense and came in alone against Lemelin.

As Robinson moved ahead, Lemelin committed himself to an effort to poke the puck off the

STANLEY CUP PLAYOFFS
Canadian's stick before a shot could be made. "I thought he was going to outreach me," Lemelin said. "I poked as far as I could."

He poked far enough, but the danger had not passed. Lemelin lost his stick. As play continued, Lemelin was first forced to go on without a stick, and then used Neely's.

With the crowd screaming for the Canadiens to shoot, Chris Chelios took a shot from near the blue line that Lemelin squeezed into his midsection.

He survived another dangerous chance eight minutes into the period, when a shot by Ryan Walter hit the right post and caromed away. But by the time the Canadiens scored, a series of defensive mistakes had allowed Boston to build a lead that was never lost.

Kasper's first goal, at 10:20 of the first period, came on a wrist shot from the slot. Less than four minutes later, Rick Green, the normally reliable Montreal defenseman, lost the puck along the right boards in the Canadian end.

Neely took the puck from Green, skated to his right and slid a forehand shot under the glove of goaltender Patrick Roy.

Kasper's second goal, at 10:02 of the second period, came after Boston forward Randy Burridge intercepted a pass along the right boards and made a one-handed centering pass.

"I think it bothered some guys," said Rejean Lemelin, the Boston goaltender who has won seven of the eight games in which he played. "I didn't allow it to bother me. The guys in this

The Canadiens scored against Lemelin for the first time since Game 3 when John Kordic converted a rebound. But the noise in the Forum was nothing more than temporary. And when Neely sidestepped the defenseman Petr Svoboda and scored the fourth Bruin goal, the years of disappointment had been placed in the past.

"I'm glad it's over," said Terry O'Reilly, the winners' coach. "It's such a sigh of relief."

As Lemelin stood near his dressing stall, he had not yet found the time to be relieved. "Not now," Lemelin said. "I will be in about an hour."

Devils Take 3-2 Lead
Backup goalie Bob Sauve made 28 saves Tuesday night and Kirk Muller scored his first two goals of the playoffs to help New Jersey down Washington, 3-1, and move it within one victory of the Patrick Division title.

United Press International reported from Landover, Maryland, The Devils have a 3-2 lead in the series, whose winner will face Boston for the Wales Conference championship.

"I have complete confidence in Bobby," said New Jersey Coach Jim Schoenfeld, who rested Sean Burke, the sensational rookie goaltender. "There aren't many goalies who can go indefinitely without playing and then step in a pressure situation and do well."

Sauve, acquired before the 1987-88 season from Chicago, has allowed only three goals on 55 shots in the playoffs.

"It is very rewarding," said the 10-year veteran, who had not played for 19 days after posting a 3-2 victory over the New York Islanders in Game 2 of the opening round. "I've been frustrated, but there's nothing I can do about it. So I go out and do my best when I get the chance."

The Devils have won three of their last four games in the Capital Centre after having gone 0-19-1 there in the team's six-year history.



His players distracted, Manager Frank Robinson asked a TV camera crew to back off from the Oriole dugout during Tuesday's game.

Orioles Within 1 Loss of League Record

Compiled by Our Staff From Dispatches
MINNEAPOLIS — The Baltimore Orioles kept coming closer to a victory. They also kept coming closer to the American League record for consecutive losses.

The Orioles actually led the Minnesota Twins, 2-0, going into the bottom of Tuesday night's sixth inning but, as usual this year, they were on the short end of the final score.

The 4-2 setback extended Baltimore's imperfect start to 0-19. The Orioles have long since set the major-league record for a start-of-the-season losing streak and faced the possibility of tying the overall American League

mark of 20 straight here Wednesday night. The league record for consecutive losses belongs to the 1906 Boston Red Sox, and 1916 and 1943 Philadelphia A's. The major-league mark, set by the 1961 Philadelphia Phillies, is 23.

"We've been in a lot of games like this with an opportunity right at the end," said designated hitter Larry Sheets. And what an opportunity: Jeff Reardon, Minnesota's ace reliever, walked the first two batters in the ninth, but pinch hitter Joe Orsulak's line drive was caught by shortstop Greg Gagne, who started a rally-killing double play. Fred Lynn, who homered off Frank Viola to start the game, then fouled out to end it.

"We can't stand here and think, 'What if we'd done this or that,'" said Manager Frank Robinson. "It was nice to get out to that early lead, but I knew we'd need more runs to win."

Minnesota's Kent Hrbek, who hit 34 home runs last season, hit his first of 1988 to tie the score in the sixth. His two-run shot spoiled Mike Morgan's shutout bid, and two outs later Randy Bush homered.

Hrbek added a bases-empty home run off Dave Schmidt in the eighth.

"You can't feel sorry for anybody," Hrbek said. "It's like a boxer going into the ring. You

can't go in there and let him hit you a couple of times."

Viola, undefeated at the Metrodome since last May 22, pitched three-hit ball for seven innings, striking out nine and not allowing a hit after Cal Ripken's run-scoring double in the third.

Viola thanks the losing streak "is overated. We're 6-11 — that isn't much better. I don't care if Baltimore's 0-18 or 0-150. They always play us tough."

At least one Oriole was still talking tough.

"Tomorrow's another day," said Sheets. "Look at it like this — there's 143 games left, so we can lose 43 more and still win 100." (AP, UPI)

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SCOREBOARD

Baseball

Tuesday's Line Scores

Table with columns for team names and scores. Includes games like Boston vs New York, Cleveland vs Detroit, etc.

Major League Standings

Table showing league standings for American League and National League, including teams like Boston, New York, Cleveland, etc.

National Hockey League Playoffs

Table showing NHL playoff results and schedules for various divisions.

Golf

Table showing PGA Leaders and BIRDSIES for various golf tournaments.

Tennis

Table showing Pro Leaders for tennis tournaments.

Hockey

NHL Playoff Schedule

Table showing NHL playoff schedule for various divisions.

Golf

Table showing PGA Leaders and BIRDSIES for various golf tournaments.

Tennis

Table showing Pro Leaders for tennis tournaments.

Transition

BASEBALL

BASEBALL

BALTIMORE — Sent Wade Rowland, infielder, to Rochester of the International League.

MINNESOTA

Called up John Moses, outfielder, from Portland of the Pacific Coast League.

DRIVING ACCURACY

Calvin Peete, 793.2; Tom Kila, 792.3; Mike Reid, 791.4; Nick Faldo, 782.2; David Edwards, 774.4; Doug Tewell, 767.7; Larry Nelson, 762.2; Curtis Strange, 759.9; Wayne Grady, 754.16; David Frost, 749.

GREENS IN REGULATION

Mark McCumber, 253.3; Chip Beck, 252.3; Gene Savaris, 251.4; Mark Brooks, 251.3; Gil Morgan, 248.4; Dillard Pruitt, 247.2; Donnie Hornum, and John Muffrey, 246.9; Dave Barr, 249.16; Ben Cravens, 248.

PUTTS PER GREEN

Sandy Lyle, 19.9; Greg Norman, 17.9; 3; Sandy Lyle, 17.9; 4; Chip Beck, 17.9; 5; Don Foran, 17.2; 4; Larry Riker, 17.2; Willie Wood, 17.2; 5; Ed Flori, 17.2; 9; Tom Byrum, 17.2; 16; 2 tied with 17.7.

FRIENDLIES

Czechoslovakia 1, Soviet Union 1; Hungary 0, England 0; Sweden 4, Wales 1.

VANTAGE POINT/George Vecsey

Who's Hiding the Money?

New York Times Service
NEW YORK — All over the country, parents are ripping apart their sons' mail, attacking music cassettes with hammer and screwdriver. This is it, the big break, no more cheap cars, no more clipping coupons. Imagine the disillusionment when all they find is yards of plastic tape.

"All right, where is it?" fathers are shouting.

"Where's what?" the sons are replying.

"Don't play dumb," the fathers are saying. "I read about the young man in California who signed for a package containing 20 \$50 bills, delivered by an air freight company."

"Pop, that was from the University of Kentucky," the sons are explaining. "Nobody's sending me any bills in the mail. I'm a student. I'm not an athlete."

It has come to this, bills fluttering out of a torn package containing a video cassette, documented by workers in an airport freight depot. Suspicions of recruiting abuses by the University of Kentucky basketball program. Again.

It's a good thing this latest apparent scandal was broken by The Los Angeles Daily News and not by a paper closer to the U.K. campus. The last time anybody got evidence on Kentucky basketball, a few years back, people were so upset that they canceled their subscriptions to The Lexington Herald-Leader, which hurt that paper's credibility so badly that it merely earned a Pulitzer Prize for the disclosures.

A video cassette would be the most illustrious hiding place since Whittaker Chambers retrieved State Department documents from a pumpkin during the Alger Hiss trials.

In the current video cassette frolics, Chris Mills, the basketball prodigy, signed for the package apparently sent by Dwane Casey, an assistant coach at U.K.

His father, Claud Mills, was informed by Emery Worldwide officials that the package contained \$1,000. Father and son both deny seeing the bills.

There is no attempt to assign guilt in this little drama, but the clues suggest the inherent dishonesty of big-time sports. To see college athletes with sports cars and gold jewelry and designer clothes is to know that at least some of the loot is trickling down to them, even if through ruses like VCR packages, no-show jobs or rewarding handshakes from boosters after a good game.

One could argue that this is part of education, part of growing up, to understand that college officials and boosters will find a way to circumvent the rules. But maybe it's time to make honest men out of college athletes. (The women don't generate enough money to cheat on this level, at least not yet.)

Ernest Chambers, a Nebraska state legislator, thinks it is time to put players on salary. A registered independent from Omaha, Chambers managed to get a bill passed by the majority of 49 senators in Nebraska's unicameral legislature, but Governor Kay Orr vetoed the bill two weeks ago when it was too late for the senate to take further action.

The bill said football players in Nebraska would be paid a stipend (Chambers suggests an equal sum between \$500 and \$1,000 per month), but only when at least four other state legislators of Big Eight schools pass similar bills. Meaning, don't hold your breath.

Many college officials insist that a scholarship is valuable compensation for playing football or basketball, but Chambers, not an athlete himself, argues that athletes are short-changed.

"They can't have other jobs during the season because they work hard at what they do," he said. "They are the only students who can be publicly embarrassed on national television. They can lose their scholarships. They are marketed and sold in a commercial package. There is \$10 million generated by Nebraska football alone. But they cannot be paid."

Chambers, a barber by occupation, does not think free college tuition is enough because athletes are often channeled into courses that do not lead to graduation. He said athletes should be paid for their labors — "just as if they were cutting, mowing or digging coal." They get injured, they're no good to themselves. Their options are not good. Most of them become the footnoted and jettison of football, but the public only cares when they are playing."

Some people argue that it might be time to pay athletes the equivalent of their college education and let them decide whether they want to go to class. Probably fewer men would get any kind of rudimentary education in that case, but it would be their choice. Or, a nice \$1,000 month above free tuition would reward athletes for their labors.

None of this would end the frantic maneuvers to recruit blue-chip athletes. But maybe it would stop some of the subterfuge. Instead of sending the money in unmarked bills, hidden in a VCR, which just may have been the case in that Kentucky-California package, they could send the money in more conventional ways. Normally, "the check is in the mail" is the biggest lie in America. In this case, it would be a step in the right direction.

World Weightlift Mark Set by Suleymanoglu

CARDIFF, Wales — Naim Suleymanoglu, in his first competition since defecting from Bulgaria to Turkey two years ago, set a world record in the snatch on his way to the 60-kilogram (132.2-pound) title at the European weightlifting championships here Wednesday.

Becoming the first man to snatch two and half times his own body weight, Suleymanoglu lifted 150 kilos; he went on to take the jerk with a lift of 180 kilos.

Limiting the draft to three rounds this year and two years thereafter is not expected to have a major impact since few players taken after the second round have been able to make an NBA team in recent years. However, both Fleisher and Stern said they expected that some undrafted players would now be able to win an NBA berth since they would be free to try out for any team.

On the salary cap and the related revenue-sharing formula, which guarantees that the players receive at least 53 percent of gross league revenues in either salary or benefits, the agreement closes two loopholes. One, which simply coded a court ruling, bars so-called backloading of contracts in which teams had sought to get around the cap by paying a player a small salary in the first year of a multiyear contract with what amounted to large balloon payments in the later years. Under the new agreement, salaries in each year of a multiyear pact may be no more than 30 percent above the previous year's salary.

In addition to ratification by the players, the agreement is also subject to the approval of the Federal District Court in Newark, New Jersey. The union and the league have been engaged in litigation in that court over the union's charges that the so-called labor exemption to the antitrust laws — the legal underpinning of the salary cap and the draft — had ended with the expiration of the previous contract. A ruling against the union was appealed to the U.S. Court of Appeals for the 3rd Circuit, which has scheduled a hearing June 3.

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